# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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France's relations with the U.S. Government, Page 2

## NEWS SUMMARY

### GENERAL

## Israeli Cabinet meets on pull-out

An agreement on an Israeli withdrawal of its forces from Lebanon looked closer last night, and the Israeli Cabinet is expected to meet in special session today to discuss terms for withdrawal.

Premier Menahem Begin said last night after talks with U.S. Secretary of State George Shultz that Israel now has important decisions to make.

Mr Shultz returned to Jerusalem from Beirut yesterday at noon in an atmosphere of growing optimism. If Israel and Lebanon agree it will be up to him to persuade Syria to withdraw its troops from Lebanon.

### Iraq exchange offer

Iraq has offered to release 500 Iranian prisoners in exchange for an equal number of Iraqi soldiers held by Iran.

### Iranian expulsions

Iran told 18 Soviet diplomats to leave and dissolved the pro-Soviet Tudeh (Communist) party.

### Convent incursion

A group of men burst into a Warsaw convent and severely beat four volunteers working for an internees' aid committee there. Page 3

### Finnish accord

Finland's largest party, the Social Democrats and the Centre, Rural, and Swedish People's parties have agreed on a programme for a coalition government, and on allocation of Cabinet posts. Caretaker Premier Kalevi Sorsa is expected to head the government.

### Basque killings

Suspected Basque guerrillas shot dead two policemen and a pregnant woman in a Bilbao garage.

### Kohl for Moscow

West German Chancellor Helmut Kohl told Parliament he would travel to Moscow on July 4 for talks with Soviet leaders. Page 16

### Weinberger attack

Defence Secretary Caspar Weinberger attacked Congress moves to freeze U.S. forces at present levels in order to curtail budget increases. Page 4

### French students hurt

About a dozen students suffered injuries during clashes with police in various demonstrations around France in protest at proposed reform of the country's university system.

### Luther anniversary

Churchmen from East and West Germany commemorated the 500th anniversary of the birth of Martin Luther at 900-year-old Wartburg castle in East Germany.

### Attackers jailed

Two West Germans who robbed a Soviet diplomat in Cologne and left him tied to a tree were jailed, one for six-and-a-half years and one for five years and three months.

### Whitlam's new post

Former Australian Premier Gough Whitlam, whose Labour Government was dismissed in the 1975 crisis, was appointed ambassador to Unesco in Paris.

### Briefly...

Ankara: 28 leaders of the defunct Turkish Workers and Peasants Party were sentenced to between five and 12 years' jail.

Siberia: Roads and bridges have been destroyed in the worst rain storms of the century.

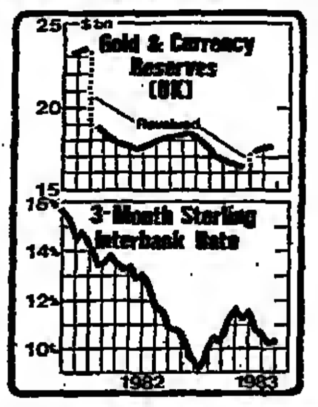
### BUSINESS

## Zanussi in talks with Philips

● PHILIPS, the Dutch electrical goods multinational, has been having talks with Zanussi, Europe's biggest producer of domestic electrical appliances, at the request of the Italian Government. Philips discounted reports that it would take a stake in the troubled group, which is also in touch with French state concern Thomson-Brandt. Page 16

Philips has widened the scope of its talks with AT & T of the U.S. about launching a joint venture to market telecommunications products. Page 17

● UK OFFICIAL reserves rose $319m to $17.7bn last month, after sterling's recovery. Page 8.




● GOLD fell $0.75 in London to $432.5, by $0.25 in Frankfurt to $433.25, and rose by $1 in Zurich to $533.5. In New York, the Comex May settlement was $435.1 ($433.7). Page 37

● STERLING rose 20 points to $1.5805, but eased to DM 3.8675 (DM 3.88), FFr 11.6775 (FFr 11.6875), SwFr 3.25 (SwFr 3.26375), and Y373.5 (Y375). Its Bank of England trade-weighted index, logged before the close, was up from 85 to 85.1. In New York, it closed at $1.5785 ($1.5855). Page 40.

● DOLLAR dropped to DM 2.4455 (from DM 2.4575), FFr 7.3875 (FFr 7.405), SwFr 2.057 (SwFr 2.0675) and Y236.25 (Y237.55). Its trade weighting fell from 122.6 to 122.2. In New York it closed at DM 2.441 (DM 2.45); FFr 7.375 (FFr 7.3775); SwFr 2.057 (SwFr 2.059); and Y235.7 (Y236.95). Page 40

● LONDON: FT Industrial Ordinary index eased 22.3 to 689.9. Government securities showed modest gains. Page 33. FT Share Information Service, Pages 38–39

● WALL STREET: Dow Jones index closed at 1,212.65, up 4.64. Report, Page 33. Full share listings, Pages 34–36

● TOKYO: Nikkei Dow index fell 41.35 to 8683.04. Stock Exchange index closed at 832.53, down 2.34. Report, Page 33. Leading prices, other exchanges, Page 36

● BELGIUM cut its discount rate from 10 per cent to 9.5 per cent today. Page 2.

● WEST GERMAN unemployment fell by 133,000 in April to 2.25m. New orders for manufacturing industry in March were 1 per cent up on February. Page 3

● UGANDA's central bank and the visiting IMF team are investigating the increasing divergence between the country's two foreign-exchange rates.

● EASTMAN KODAK, world's largest photographic goods company, reported first-quarter operating profits 24.5 per cent down at $136.8m. Page 16

● SIEMENS, West Germany's leading electronics group, reported after-tax profit in the half ended March 11.2 per cent up at DM 348m ($141.6m). Page 17

● GRUMMAN, the U.S. military aircraft and space systems company, reported first-quarter net income 12.6 per cent up at $22.6m. Page 17

# Cautious welcome from Reagan for Andropov's offer

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

***President Ronald Reagan yesterday welcomed the latest Soviet offer to count nuclear warheads rather than missiles in the Geneva negotiations on intermediate-range weapons in Europe. He said it was a positive development that merited serious consideration.***

He added, however, that the U.S. would not know whether the latest proposal made by Mr Yuri Andropov, the Soviet leader, on Tuesday night was propaganda or a genuine attempt to negotiate until the two sides returned to the bargaining table in Geneva.

Mr Reagan declined to comment on Mr Andropov's insistence that British and French strategic forces should be included in the balance of medium-range missiles in Europe. But he said the offer to count warheads met a long-standing U.S. consideration.

Mr Caspar Weinberger, the Defence Secretary, echoed Mr Reagan in welcoming the warhead rather than missile counting methods. It did not represent progress in itself, he said, but he thought something more useful "might conceivably be forthcoming" from Moscow later.

Mr Weinberger, however, used strong terms to denounce the continued Soviet insistence that the British and French nuclear forces should be included in the bilateral negotiations between Moscow and Washington.

He said the Soviet Union might be attempting to force the negotiations into a deadlock by this means without it appearing to be Moscow's fault. Mr Weinberger accused the Soviet Union of raising conditions that it knew could not be fulfilled.

He was concerned that by continuing to include the French and British systems Mr Andropov was simply trying to persuade European public opinion to resist any deployment of new American cruise and Pershing II missiles to counter the Soviet SS20s, and thus bring the negotiations to a halt.

Mr Weinberger pointed out that the Soviet Union knew that Britain, France and the U.S. could not accept counting the two European countries' independent strategic deterrents against the Soviet SS20s, of which there is no Western equivalent.

The British and French deterrents were intended for a different purpose and were not under centralised Western control whereas all Soviet weapons were under central command of Moscow.

Mr Weinberger said the Soviet Union had left a lot unsaid and had not yet shown a basic willingness to go for the kinds of reductions that Mr Reagan had proposed.

It was not known, for example, how far Moscow would be prepared to destroy SS20s withdrawn from the European theatre.

Mr Reagan said in an interview with reporters his ultimate aim was the elimination of all nuclear weapons. He hoped that once progress had been made in trying to reduce the numbers of both intermediate and strategic missiles, in Geneva, the superpowers could move towards this final goal.

Editorial comment, Page 14; Kohl's declaration, Page 16; Nato allies' reaction, Page 2

# Rumasa lost over $500m in 1982, official says

BY ALAN FRIEDMAN AND DAVID WHITE IN MADRID

THE RUMASA group holding company in Spain, which was expropriated by the Spanish Government two months ago, lost at least Pta 57bn in 1982 (well over $500m at exchange rates prevailing then), according to a senior Spanish Government official.

He said the Rumasa group was continuing to lose money despite the Government's efforts to reduce the losses.

The official added that once the independent audit of Rumasa by accountants Arthur Andersen was complete, probably by late summer, the Government hoped to begin selling off industrial companies in the group.

Negotiations between the Government and potential buyers might get under way as early as this June, however, when a partial audit is expected to have been completed. The final deadline for the Andersen audit is September 30, and terms for the sale of Rumasa companies would be made conditional on the audit's results.

**BANK AUDIT**
Banco de Santander, Spain's sixth-largest bank, is to undergo its first external audit as a result of pressure from the central bank. Page 16

The official made clear that the sale of any of the 18 expropriated Rumasa banks would not be considered until a later stage.

Investigators, meanwhile, have found that more than $70m of foreign currency deposits was channelled from Rumasa-controlled banks in Spain through the Amsterdam and London branches of the Banco de Jerez into undisclosed foreign investments. Of this total – which accounted for almost all of Rumasa's foreign currency deposits from clients – $45m is believed to have been sent on a complex route through shell companies in Panama, Liechtenstein and elsewhere, into numbered bank accounts in Switzerland, and thence to offshore holding companies set up outside the formal structure of the Rumasa group.

This network was devised during the last two years, while Rumasa was coming under surveillance from Spanish authorities. Investigators are looking into possible tax and currency irregularities and forgery, stemming from the fund transfers.

Continued on Page 16

# U.S. bid for Sotheby's lapses as UK sets monopolies probe

BY CHARLES BATCHELOR IN LONDON

THE BRITISH Government yesterday referred a strongly contested U.S. bid for Sotheby's, the London-based auction house, to the Monopolies and Mergers Commission for a review which could take six months.

The surprise move, which wiped nearly £10m ($15.8m) off Sotheby's market value, means the £81m bid by General Felt Industries/Knoll International automatically lapses. GFI is owned by two U.S. businessmen, Mr Stephen Swid and Mr Marshall Cogan. The share price fell 73p yesterday to 460p against the bidder's offer price of 520p.

Lord Cockfield, Secretary of State for Trade, decided to refer the bid to the Monopolies Commission despite the recommendation of Sir Gordon Borrie, director general of the Office of Fair Trading (OFT), that it did not warrant referral. The Department of Trade described the decision as "very finely balanced."

The reasons advanced by Lord Cockfield for his decision were the need to study the impact of the bid on London as a centre of the international art market and on the position of Sotheby's in that market.

The bid did not constitute a threat to competition but it did raise issues of public interest, the Department of Trade said. "MPs have raised questions in the house and a number put their names down for an adjournment debate."

Sotheby's welcomed the Department of Trade decision and said it would begin considering its submissions to the Monopolies Commission.

Mr Roger Seelig of Morgan Grenfell, the merchant bank which is advising Mr Cogan and Mr Swid, said it was "extremely disappointed and totally surprised" at the referral decision.

The Americans, who already own a 29.8 per cent stake in Sotheby's, and the bank are considering whether to withdraw or let their offer stand. A withdrawal appears likely. Morgan Grenfell said it would press for a speedy completion of the Monopolies Commission review of what it called "a relatively simple case."

Lazard Brothers, the merchant bank which is acting for an unnamed rival suitor for Sotheby's who emerged on Tuesday, said the referral would allow it to complete its investigations "at a more sensible pace."

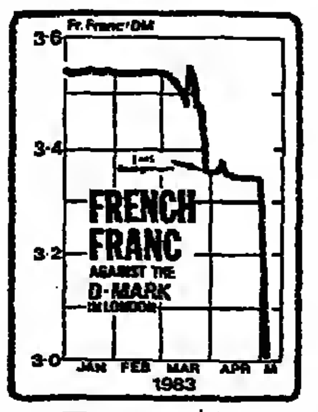
Mr Marcus Agius of Lazards said: "We are continuing our discussions. If they come to a satisfactory conclusion we will no doubt indicate our intention to make an offer and it will be automatically referred."

Any rival offer must be made quickly for it to be considered alongside the original bid.

Lazards confirmed that the possible rival bidder for Sotheby's is a single wealthy individual operating through a private company.

This is the second time in six months that the Department of Trade has overruled an OFT recommendation.

Editorial comment, Page 14




# FFr under renewed pressure

By David Housego in Paris

THE FRENCH franc has come under renewed pressure on the foreign exchange markets, dropping to over FFr 3 to the D-Mark for the first time since the March realignment of European currencies within the European Monetary System (EMS).

Dealers said that the Bank of France intervened substantially yesterday afternoon in support of the franc for the first time since the EMS realignment. But they believed that the central bank would need to signal to the market more strongly its intention of holding the rate if further speculation were to be headed off.

The franc, which has remained close to its EMS floor of FFr 2.9985 since the devaluation six weeks ago, crossed the psychological FFr 3 threshold on Tuesday before weakening further yesterday. It fell to FFr 3.0280 before climbing back marginally after the Bank of France entered the market to close at FFr 3.0257.

Dealers saw the reasons for the slippage as lying in a combination of technical factors, the strengthening of the D-Mark against the dollar, and the foreign exchange market's increasing doubts over the implementation of the Government's austerity package.

The Government has already announced a partial postponement of increased taxes on tobacco due to have come into force in July.

Largely as a result of the continuing strength of the dollar – quoted in Paris yesterday at FFr 7.39 – the Government has already abandoned its targets of reducing the annual inflation rate by the end of the year to 8 per cent and cutting the trade deficit to FFr 45bn.

Now that the foreign-exchange reserves have been substantially rebuilt with a $7bn capital inflow since the devaluation, the market also fears that the Government might decide to pre-empt speculation and drop out of the EMS.

# Brussels bid to head off budget crisis

BY JOHN WYLES IN BRUSSELS

THE EUROPEAN Commission will today appeal to EEC member states to avert a major budgetary crisis by endorsing a tax on private energy consumption and other measures to boost the Community's hard-pressed budget revenues.

In addition to supplying funds to avoid imminent bankruptcy and to finance the EEC's activities through into the 1990s, the package the Commission wants endorsed will seek to put an end to the abrasive dispute over the size of Britain's payments to Brussels.

It will aim at a cure partly through higher spending on policies of benefit to the UK, and partly through an important change in the way the Common Agricultural Policy (CAP) is funded. If the Commission's ideas were adopted, Britain's share of CAP costs might be nearly halved, while France, Denmark, Italy and the Netherlands would pay significantly more.

The details, which the Commission is due to unveil today, are also expected to reveal a bid to sweep away the existing legal restrictions which leave it to national parliaments to decide whether the ceiling on the Community's budget revenues should be changed.

The parliaments' ratification will be needed for any agreements EEC governments reach on the Commission's proposals. But after that, the Commission wants EEC revenues to be raised in stages, by unanimous agreement of member states and a three-fifths majority of the European Parliament.

About 40 per cent of EEC revenues are currently provided by customs duties and agricultural levies and the balance by the so-called 1 per cent value added tax. This allows the Commission to draw from member states up to 1 per cent of their retail sales of a common basket of goods and services.

The EEC's gathering budgetary crisis stems from the fact that all of this 1 per cent looks likely to be spent next year and that the total $25.3bn available may not be enough to pay for runaway farm spending.

As they worked on the details late into yesterday evening, the 14 members of the Commission were clearly dealing with the most important package of proposals of their four year term. But their first priority appeared to be to win the applause of the European Parliament, which could well try to unseat the entire Commission if it finds the proposals lacking.

Swift approval by member governments looks very unlikely and the proposals will be criticised by

Continued on Page 16

# Pertini makes early poll certain in Italy

BY RUPERT CORNWELL IN ROME

PRESIDENT Sandro Pertini dissolved Italy's parliament last night, clearing the way for an early general election next month.

Such an outcome to the government crisis had been expected. The crisis began last weekend with the resignation of Sig Amintore Fanfani, the outgoing prime minister. It became a certainty yesterday after the eleventh-hour soundings carried out by Sig Tommaso Morlino, the president of the senate, and the second-ranking figure under the Italian constitution after Sig Pertini himself.

A brief round of consultations by Sig Morlino showed that the Socialists, who provoked the downfall of Sig Fanfani, were in no mood to change their minds. Without their support, no government excluding the opposition Communists could be formed.

It is now up to the Cabinet to fix the date of the election. It is likely to be June 19 or 26. The ministers of the present administration of Sig Fanfani will stay on in a caretaker capacity until a new government is formed.

For the last few days, the various party secretariats have been working on the lists of candidates they will present in June, under the country's proportional-representation system of voting. But in the last 24 hours, an old apprehension has suddenly resurfaced.

The shooting in Rome on Tuesday evening of Professor Gino

Continued on Page 16

UK June election expected, Page 16



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# Paris set to differ with U.S. at summit

BY DAVID HOUSEGO IN PARIS

WHISPERS thet the Williamsburg summit could be marked by a nasty Franco-American clash have got it wrong. The word from senior French officials is that reports of differences between France and the U.S. have been much exaggerated.

President Francois Mitterrand's tardiness in replying to President Ronald Reagan's iovitation to pay a pre-summit visit to the White House is simply a question of finding a mutually conventient time, and the two might even meet et Williamsburg before business.

The French decision to decline a U.S. invitation to attend a dinner in Paris next week for Trade and Finance Mioisters of the seveo summit nations iovolves a dispute over the mechanics of preparing summits, but does not touch issues of substance.

The French Socielist administretioo, which has now earned the reputation of being something of a lone rider among the summit seven, does not expect to see its views endorsed. But it does believe that world opinion should take notice of the summit. The French would like to see the seven demonstrating its willingness to treat major economic problems seriously, for instance.

Behind the rhetoric France is at odds with the U.S. on a number of points—oo some of which it shares common ground with other summit participants. France does not accept the U.S. view over trade and finance issues—one of the subjects due to be discussed at the dinner given here by Mr Donald Regan, the U.S. Treasury Secretary, on May 10 and to be further pursued at a meeting the following day.

The U.S. view is that the IMF-style adjustment policies being demanded of Mexico and other debt-ridden less developed countries risk a contraction of world trade as they cut imports. To compensate for this, the U.S. is proposing that industrialised countries open their doors more widely to exports from the Third World.

The French response to this is that Europe cannot go much further towards encouraging Third World imports without exacerbating ber unemployment problem, and that the problems of the Third World will in any case not be solved by further opening industrialised nations' markets.

In French eyes, e more constructive contribotion to Third World problems could be made by lowering U.S. interest rates by two or three percentage points, by the depreciatioo of the dollar and by pulling the world out of recessions. Such measures would both diminish the burden of debt repayments and encourage growth.

The French argue that the U.S. recovery remains fragile and that co-ordinated action is needed by the major economies to support it world wide. This view reflects the belief of M Jacques Delors, the Freocb Finance Minister, who has long ergued for what he calls a "chain reaction" in which countries in a position to take stimulative action sbould do so.

Over monetary issues the French—who have in turn been rebuffed by the U.S. over exchange-rate intervention — are oot expecting e shift towards a more stable Brettoo Woods style international monetary system. But they do want a serious U.S. commitment to achieving a stabler monetary system over a five or even 10 year horizon.

By contrast, the French do not believe that there are major differences with the U.S. over East-West issues. They think the studies on East-West trade that hava been carried out provide an objective base from which to jndge the trade and credits issue. They believe the U.S.'s desire to make Williamsburg a success will encourage consensus over the situation.

On the mechanics of summit preparation, the French maintain that arrangements to make the summits as informal as possible should be the aim. They believe that involving trade and finance ministers, which the U.S. proposes to do next week, could make the summit "pre-cooked by the bureaucrats," as the Americans say.

# French bid for China phone deal

By David Marsh in Paris

FRANCE is boping that President Francois Mitterrand's visit to China this week will help pave the way for agreement on an important telephone contract with Peking totalling aeveral billion francs.

CIT Alcatel, the leading French telecommunications group, is competing for Chinese business with several other international companies, including Nippon Electric of Japan and International Telephone and Telegraph of the U.S.

Officials in Paris say that bopes are high that France will win at least part of contracts to expand China's telephine network, which is tiny in relation to the size of the population.

# Spain to urge gas pipeline between Africa and Europe

BY DAVID WHITE IN MADRID

SPAIN IS to put forward an ambitious scheme for a natural-gas pipeline that could supply Europe from North Africa and Nigeria as a possible alternative to the controversial Soviet-European Siberian gas project.

The idea, still embryonic, will be expounded this weekend by Sr Carlos Solchaga, the industry and energy minister, at an International Energy Agency meeting in Paris, officials in Madrid said yesterday.

Spain is counting on diplomatic support from the U.S. for the alternative scheme but would also require backing from client countries, particularly France, which, among the countries involved in the Siberia gas deal, would stand to benefit most from any cost advantage in the new scheme.

The idea is being launched on the basis that African gas brought through Spain could be cheaper than the Soviet gas, supplies of which are due to start in 1988.

The scheme is a much more ambitious version of a gas line between Spain and Algeria which has been under study for a oumber of years. The pipeline would pass through Morocco and across the Straits of Gibraltar rather than across the deeper Mediterranean. That prospect is seen as having been made possible by the recent improvement in relations between Algiers and Rabat.

The initial stage of the project would be a link from Algeria to southern Spain. Spain is anxious to lower the cost of its gas supplies.

# West views Andropov missiles proposal with caution

**MR YURI ANDROPOV, the Soviet leader, said on Tuesday evening he was ready to count not only missiles and aircraft but numbers of warheads in an East-West accord on limiting medium-range nuclear weapons systems in Europe. Speaking in Moscow at a dinner for visiting President Erich Honecker of East Germany, he described the offer as a new proposal designed to meet Western objections to Moscow's negotiating position.**

**"We are prepared to reach agreement on equality of nuclear potentials in Europe both as regards delivery vehicles and warheads, with due account, of course, for the corresponding armaments of Britain and France," he said.**

WESTERN NATIONS yesterday gave a guarded welcome to the latest proposal by Mr Yuri Andropov on limiting medium-range ouclear forces lo Europe.

● The U.S. welcomed the offer to count warheads rather than launchers in measuring relative force strengths in the ioter-mediate-range nuclear force (INF) negotiations, writes Reginald Dale in Washington. The Reagan Administratioo has been moving gradually towards the more logical, though less verifiable, warbead measure lo the parallel strategic arms reduction talks (Start) in Geneva, not least because Soviet missiles generally have more warheads than their U.S. counterperts.

The State Department, however, said that perts of Mr Andropov's speech were ambiguous on the point, particularly with regard to the counting of bombers, ood would hove to be explored in deteil in Geneva. The "ombiguities" could actually represent "e bardening of the Soviet position," it warned.

The Administration made it clear that the rest of Mr Andropov's proposal was unacceptable and not a serious negotiating offer. The U.S. has consistently rejected Soviet attempts to balaoce the intermediate-range SS-20 against the strategic forces of Britain aod Fraoce, which are not comparable to the SS-20, in negotiations that in any case concern only U.S. and Soviet land-based missiles, in the Americao view.

"The U.S. and its allies have made clear that they cannot accept Soviet demands of the right to maintain forces equal to all other states combined," the State Department said. The Administratioo is also bound to reject Mr Andropov's insisteoce on e Soviet monopoly of intermediate-range weapons, even at reduced levels, without any deploymeot of U.S. cruise aod Pershing 2 missiles to counter the SS-20s.

● The British Government yesterday called the proposals a step in the right direction, "if, as we bope, it signals that the Russians are now beginning to negotiete seriously ot Geneva," writes Bridget Bloom.

However, the Government has categorically rejected suggestions thet the British nuclear deterrent forces should be included in the INF oegotiations in Geneva. Such a proposal remained "completely unacceptable to us and our allies" a Foreign Office statement said, odding thet it was based on a transparently false premise.

The British and French systems were strategic weapons of last resort. The Russians and Americans each had many more weapons of this sort which were not included in the INF talks.

The Government also rejected the Soviet argument that because British submarine-launched missiles could reach Soviet territory, they should be included in the INF negotiations. This contention cooveniently ignored the fact that Western Europe was already the target of an unknown, but no doubt very large, number of Soviet strategic missiles, in addition to the intermediate-raoge weapons like the SS-20 which are the subject of the INF talks, the Foreign Office said.

● The West German Government, too, declared the readiness to count nuclear warbeads as a step in the right direction, writes Jonathan Carr in Bonn. But disarmament spokesman in the centre-right coalition stressed that other elements of the proposals, remained unsatisfactory.

Chancellor Helmut Koht departed from the formal text of his government declaration in Parliament yesterday to underline that Moscow had clearly not said the last word on the intermediate-range missiles problem.

In his written text, Herr Kohl also said that there was still enough time to reach an accord in Geneva by the end of this year. "I appeal to the Soviet leadership to realise that such an accord is in the USSR's interest too."

He reaffirmed that, without agreement, Bonn would give the green light for deployment of new U.S. missiles bere—as foreseen under the Nato "twin-track" decision of 1979.

Dr Juergen Todenhoefer, disarmament spokesman for the ruling Christian Democrat parliamentary group, drew attention to what be felt were two flaws in the Andropov proposals.

First, the Soviet leader had not made clear what would happen to the SS-20 missiles he proposed to cut from Moscow's overall total. Would they be scrapped altogether or simply moved east (from where they could be moved back again).

Secondly, the proposal that British and French weapons be drawn into the Geneva negotiations was "folly unacceptable and illogical." These weapons were national in character and not available for the defence of West Germany, Dr Todenhoefer said.

● France yesterday firmly rejected any Soviet proposal to include French strategic nuclear weapons, writes Paul Betts in Paris.

"France is not a party to the Geneva negotiations and it is unacceptable that our forces be included in the discussions," the Foreign Ministry said. However, it added that it would be useful to learn the exact details of the latest Soviet proposals.

France regards its strategic nuclear forces with jealous independence and has made this clear on numerous occasions during the current Washington-Moscow arms debacle. Moreover, France is not part of Nato's integrated military structure.

● The Dutch Foreign Ministry said yesterday that if Mr Andropov was willing to use warbeads rather than launchers as the accounting element in assessing the nuclear balance theo it appeared to justify the existing Western stance, writes Walter Ellis in Amsterdam. "It would reflect the basic idea behind the West's belief that real parity in nuclear weapons can only be achieved by counting warheads," it said.

Mr Ruud Lubbers, the Prime Minister, is in a quandary over missiles. His Government is obliged under the terms of a 1979 Nato egreement to denloy 48 U.S. cruise missiles by 1986 at the latest, but neither be nor a majority of the Dutch Parliament or people is willing to honour that commitment unless it becomes obvious that East-West bargaining has really broken down.

In indicating optimism about the latest Soviet statement, the Government may be seen, to some extent, to be hoping for the best, while supporting any moves that keep the two sides talking.

# Ireland moves back towards local taxes

BY BRENDAN KEENAN IN DUBLIN

IRELAND is moving back towards the collection of local revenues, six years after the abolition of domestic rates helped sweep the Fianna Fail party, now in opposition, to an unprecedented 20-seat majority in the election of 1977.

The decision to abolish domestic rates was one of the most popular decisions ever taken by an Irish Government. Six years on, the problems that followed the removal of these local taxes have become apparent, and Ireland is having to go back on its tracks.

No Irish government would dare to reintroduce rates in their old form, but a bill just circulated provides that local authorities should raise I£65m ($84m) through the introduction of charges for services such as water supply, sewerage and refuse collection, most of which are free in urban areas.

It is a small amount of money but represents a recognition of the cost to the exchequer of funding local services, and the fact that those services have suffered because local authorities could not raise revenue directly.

This year, the Fine Gael-Labour coalitioo Governmeot of Dr Garret FitzGerald will pay out I£138m in lieu of domestic rates, but this represents no increase on 1982.

# Belgian discount rate cut

BY PAUL CHEESERIGHT IN BRUSSELS

THE BELGIAN central bank yesterday lowered its discount rate — the minimum lending charge for major financial institutions—to 9.5 per ceot, a fall of 0.5 of a percentage point.

The bank's move underlined the lowering trend in interest rates. The discount rate itself was hoisted 2.5 percentage points to 14 per cent in March during the period of instability on the foreign exchanges that preceded the realignment in the European monetary system.

Shortly after that crisis, the discount rate was lowered to a more normal rate of 11 per cent and since April has been steadily reduced.

Accompanying the move, the central bank cut its one, two and three months Treasury Bill rate to 10.10 per cent.

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# New orders and jobs pick up in W. Germany

BY JOHN DAVIES IN FRANKFURT

UNEMPLOYMENT FELL slightly last month in West Germany—but basically because of a seasonal improvement in the labour market. At the same time, however, new orders for industry have picked up, confirming other signs of a shimmer of recovery in the domestie economy.

The number of people registered as out of work fell during April by 132,700 to 2.25m, but was still more than balf a milliou higher than in April last year. This means that 9.2 per cent of workers were out of a job last month, compared with 9.8 per cent in March and 7.2 per cent in April 1982.

Herr Josef Stingl, the president of the Federal Labour Office, stressed yesterday that the decline did not stem from an improvement in the basic economic situation. It simply reflected the fact that more outdoor jobs have become available with the end of winter.

He detected oo significant upturn in the labour market. On the other hand, he drew comfort from evidence that youth unemployment had dropped more atrongly than the overall seasonal improvement. The number of people uoder 20 registered for jobs fell hy 14 per cent last mooth to 175,000.

Herr Stingl also pointed to a marked decrease last month in the extent of short-time work, although the number of vacant jobs registered edged up only 0.5 per cent.

In a hopeful sign, the Economics Ministry annonced that the volume of oew orders flowing into manufacturing industry in March was 1 per cent higher than in February, on a seasonally adjusted basis.

The boost, however, came entirely from within West Germany; exports languished. Domestic orders were np 2 per cent, confirming that this source of industrial activity had not, as feared, waned after the initial stimulus from an injection of government investment aid late last year.

The scale of the domestic recovery is also indicated by the first-quarter figures. The volume of domestic orders for manufacturing industry is up 3.5 per cent and their value is 6 per cent above that in the first three months of last year.

Offsetting this, though, is a sharp decline in export orders, which were relatively strong in the first quarter of 1982. The Economics Ministry pointed out, however, that although the volnme of export orders in March was down about 1 per cent on February, it was running higher than in the second balf of last year, when many companies experienced a sharp setback on foreign markets.

Meanwhile, general industrial production—which to West German statistics incorporate large-scale building activity—was unchanged in March, compared with February, on a seasonally adjusted basis.

Within this hroad category, manufacturing industry production in the first quarter was running 5.5 per cent down on a year ago. But, it was 1 per cent up in comparison with the fourth quarter of last year.

# Socialists head for success in Spanish town halls

## Opposition remains weak, reports David White in Madrid

THE COMMUNIST Mayor of Cordoba is the first of his kind, and maybe the last. He is a bearded schoolteecher called Julio Anguita, and he is the only Communist ever to hecome mayor of a Spanish provincial capital. Next Suoday he will be fighting for survival egainst the hroad front of a seemingly inevitable advance by the ruling Socialist Party, in countrywide local elections.

Desperate to improve the humiliating 4 per ceot of the vote which they scored in last year's general election, their lowest ebb since emerging from clandestine existences, the Communists are concentrating their effort behind Sr Anguita—"that nice-looking young fellow," as one of his opponents grudiogly described bim. The battle in this ancieot capital will be one of the most closely-fought of any of the country's 8,000 municipalities.

Thanks to coalition pacts with other left-wing parties, two-thirds of those Spanisb towns with populations of over 100,000 are currently under Socialist control. By winning one in seven municipalities last time round, the Socialists ended up governing balf of Spain's 38m population.

The map of Socialist influence shows only patches of strength across the North, but the Southern half of the country is almost as solidly coloured in as a 9th-century map of Moslem Spain.

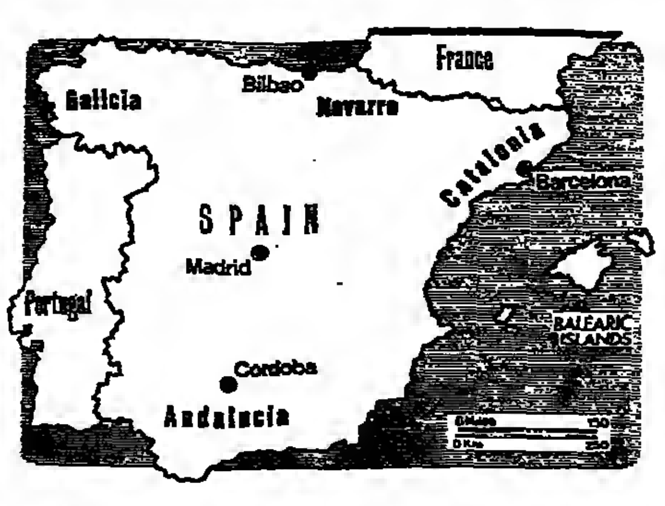
The Socialists' score of town halls seems likely to double this time and io Andalucia every main town, apart from Cordoba, is a safe bet.

The municipal cootest, which coincides with elections for new assemblies in 13 regions, is only the second in balf a century. The last full municipal elections before those in 1979 were beld in 1931 and led King Juan Carlos's grandfather, Alfonso XIII, to leave Spain for good.

The 1979 elections provided Spain with its first experiment in democratic local government since the civil war, and bequeathed to the new councils both a tough inheritance of self-interest, and frequently disastrous finances.

Four years later, the party which then won half the town halls, the Centrist UCD, has given up the ghost and vanished from the contest, while the Socialists are facing their first election since before the days of Geoeral Franco as a government party.

Unlike the leaders of the other parties, Sr Felipe Gonzalez, the Prime Minister, is oot even dipping his feet into the waves of the campaign. Socialist confidence borders on complacency, especially in Madrid, where a popular Socialist Mayor, 65-year-old Sr Enrique Tierno Galvan, appears to face an indecently easy task in preventing a would-be Chirac—34-year-old Sr Jorge Verstrynge, round-spectacled Secretary-General of the main Right-wiog party, Alianza Popular—from planting himself oo the Government's doorstep.




Madrid is also one of the 13 new "autonomous regions" voting for their first assembly. These elections involving about half the voters, will bring the rest of continental Spaio and the islands in lioe with the Basque country, Catalonia, Galicia aod Andalucia, which already have their own parliaments. Recent polls show the Socialists leading across the board, falling short of an outright majority only in Navarre and possibly the Balearic Islands.

In some areas, the break-up of the Centrist UCD after its general election collapse seems to have given more votes to the Socialists than to the Right.

The twin contest lines up fivo national parties—the Socialists, a three-party coalition headed by Alianza Popular, ex-Premier Sr Adolfo Suarez's CDS, the Communists under their new leader Sr Gerardo Iglesias, and the liberal PDL—plus an assortment of regional parties. In many smaller places, only one party is standing.

Only the Alianza Popular coalition provide widespread oppositioo for the Socialists. Both are fielding candidates in about 70 per cent of municipalities.

The most bitter battles will be between the conservative parties which control the regional governments of the Basque country and Catalonia, against what they increasingly perceive as a "centralist" Socialist Party.

In a prelude to elections in both regions next year, the Socialists are challenging the Bilbao stronghold of the Basque nationalist party (PNV), and face strong opposition in their own fortress of Barcelona from their previous allies, the Catalanist Convergencia I Unio.

Down in Cordoba, the battle is between Left and Left. Here, too, coalition allies have broken asunder. An all-party administration under Communist leadership—set up, says Sr Anguita, because he "didn't trust the Socialists"—has lost first the Centrists, then the Socialists, leaving the Communists ruling with the here today, gone tomorrow Andalucian party, the PSA.

As in other towns, the question of future alliances hangs tantalisingly over Sunday's contest. Communists and Socialists are engaging io mutual recriminations of authoritarianism and bad behaviour.

The CDS is fielding a stylish and attractive local businesswoman, Sra Pura Rus, to pick up Centrist votes that might otherwise float to the Socialists. With a challenging slogan "Cordoba needs a woman," she tries to avoid political squabbling and get down to the real issues of public parks, toilets, rubbish bins and telephones. But she has no hope of winning.

Alianza Popular on the Right failed to gain a council seat four years ago, and now bas a first-time candidate, civil servant Sr Rafael Molina Requena.

Both Centre-Right contestants say they are ready to collaborate with the Socialists in a new administration. But the Socialist candidate for Mayor, Senator Joaquin Martinez-Bjorkman, a distinguished lawyer, who is well known in Cordoba, has had enough of coalition talk. "We will either govern or be in opposition," he says.

In Andalucia, where in regional elections last year the Socialists swept in with an absolute majority, a town that chose to be anything else would be, he says, "a kind of Andorra."

# Two German states mark anniversary together

BY LESLIE COLITT IN BERLIN

AS CHANCELLOR Helmot Kohl spoke yesterday of preserving the "unity of the nation," a rare all-German celebration took place at a symbol of past unity—the 900-year-old Wartburg Castle in East Germany.

Churchmen from East and West Germany and from other countries gathered for a ceremooy opening celebrations marking the 500th anniversary of Martin Luther's birth. The Protestant reformer translated the New Testament into German at the Wartburg where German studeots gathered in the 19th-century to proclaim their desire for unification.

For the first time since the founding of the two German states in 1949, televisioo and radio stations in both carried the same programme from the Wartburg. It was another milestooe for East Germany: the first time a church service was broadcast live on television.

The scene was in complete contrast to the acrimony of recent weeks over the deaths from heart attacks of two West Germans while being qnestioned hy East German border officials. Last Thursday President Erich Honecker, East Germany's leader, cancelled a planned visit to West Germany.

Herr Richard von Weizsaecker, West Berlin's mayor, who is a lay official of the Protestant Church, was part of the West German Church delegation. Bishop Werner Leich of Thuringia referred in his speech to the traditiooal ties between the Protestant churches of the two states.

The hishop also praised the Communist Government of East Germany for supporting the Church celebration of the Lnther anniversary. He said that Church and State had quite different interpretations of Martin Luther's work bnt that each had "learned from the other without giving np their basic principles." This, he said, could be a lesson for the future.

# Raid on convent seen as warning to Polish church

BY CHRISTOPHER BOBINSKI IN WARSAW

THE RELATIONS between church and state in Poland could come under strain following an incident on Tuesday evening when a group of men hurst into a Warsaw convent and severely beat four volunteers workiog for an internees aid committee based there.

The incursion into the convent, attached to St Martin's church in Warsaw's old town, is apparently designed as a warning to the Roman Catholic Church in the country not to go too far in its political demands before the Pope's visit next month.

However, coming on the same day that government spokesmen underlined that church-state relations were oear oormal and improving, the incident is seen by some as the start of a hardline campaign to disrupt the Government's policies.

It occurred as Polisb bishops were meeting in conference at Czestochowa, 160 miles south of the capital and at the same time as a Mass was being celebrated nearby at Warsaw's St. Joho's Catbedral, commemorating the 192nd anniversary of Poland's first modern constitution. Later in the evening, riot police dispersed tbe crowd leaving the service with tear gas and water cannon. They did the same also in Gdansk, Krakow and Lublin.

The convent and the church is the base for a group of volunteers called the Primate's Aid Committee which, since martial law as declared in December 1981, has organised aid for the families of prisoners and internees with the support of the church hierarchy and the conseot of the Government.

Just after 7 pm on Tuesday aome 15 men burst in thcough a back gate and forced their way into the part of the convent used by the committee. One explained to a priest that they had been "drawn into a fight after the gate had beeo opened from the inside."

Although they were in plain clothes, aid workers were left in oo doubt that they were acting on official inspiration. The incident, which lasted about 15 minutes, seemed well-planned and efficiently executed.

During the scuffling, one of the assailants broke a chair over the head of Ms Barbara Sadowska, an aid-worker, hut in the main they coocentrated on catching, beatiog and dragging outside four young men, eyewitnessess said.

# Martens forecasts fall in Belgian payments deficit

BRUSSELS — Mr Wilfried Martens, the Belgian Prime Minister, said yesterday that the country's balance of payments deficit will narrow further this year and the inflation rate fall "rapidly."

He added that Belgium, unlike its Europeao Community partners, bas balled the decline in productive investmeots and turned the corner on industrial output. "Our primary objective was to re-establisb the competitivity of our industry," he said in a nationwide hroadcast. "This objective has heeo attained."

"Our balance of payments with the rest of the world has undergone a spectacular recovery. This recovery will contiooe," said Mr Martens. "Contrary to whet certain people predicted, the increase in prices has been kept to a minimum. Our inflation rate is going to fall rapidly this year."

Belgium's current account deficit shrank last year to BFr 122.2bn (£1.6bn) from BFr 201.8bo (£2.63bn) the previous year. Consumer price inflation fell below 8 per cent last month for the first time in more thao a year.

AP-DJ

# OVERSEAS NEWS

SECOND PHASE OF KAMPUCHEA PULL-OUT 'COMPLETED'

## Hanoi pushes on with withdrawal

BY RICHARD COWPER IN HO CHI MINH CITY

VIETNAM says it has completed the second phase of its withdrawal of troops from Kampuchea, but it remains unclear exactly how many soldiers have been pulled out.

Communist party officials and senior army officers declined to give any numbers yesterday during a formal reception at the old presidential palace in Ho Chi Minh City for officers and troops of the returning Cuu Long (Nine Wagon) division.

On Tuesday, Vietnam's old enemy China condemned the operation as "merely a rotation" of troops while Prince Norodom Sihanouk, leader of the opposition Democratic Kampuchean coalition has called the withdrawal a "trick."

Unlike the first stage of the withdrawal, which was watched by more than 40 foreign correspondents, there were few independent observers to witness the second phase.

Prior to the withdrawal, Hun Sen, Foreign Minister of the Hanoi-backed Heng Samrin regime in Kampuchea, was quoted as saying 10,000 troops would be pulled out this month—around 6 per cent or so of Vietnam's estimated 160,000-180,000 troops believed to be inside the country.

The last Vietnamese troop withdrawal, in 1982, was also greeted sceptically in the West.

AP adds: Cheering crowds in Ho Chi Minh City welcomed 11 truckloads of soldiers headed by a colourful motorcycle procession. After assembling at a former South Vietnamese military base in Songthan, 9 miles away, the procession passed through the city's five districts.

Officials said ceremonies would continue on Saturday in Vietnam's capital Hanoi. The Vietnamese and Kampuchean authorities have mobilised thousands of people, organised press conferences, state ceremonies and parades over the past four days to celebrate the pull-out.

Reuter reports from Phnom Penh: Fifteen people were killed and more than 30 seriously injured during a recent guerrilla attack on a crowded market on the outskirts of the Kampuchean capital, foreign medical workers said yesterday.

The attack ot Tagmao, a suburb about 6 miles from the centre of Phnom Penh, was the closest to the capital since Kampuchea's former rulers, the Peking-backed Khmer Rouge, were ousted from power in January 1979 by Vietnam's invasion.

Foreign doctors mainly from Eastern Europe and Cuba, who staff Phnom Penh's hospitals, said the attack, on April 16, was made with at least two grenades, thrown into Togmao market.

They blamed the Khmer Rouge, now fighting a guerrilla war from bases on Kampuchea's western border with Thailand, for the assault.

## China urges France to put pressure on Vietnam

BY MARK BAKER IN PEKING

CHINA IS urging France to play a leading role in renewed efforts to persuade Vietnam to withdraw its forces from Kampuchea.

The Chinese Premier, Zhao Zyiang, said yesterday he was optimistic about persuading France to use its historical connections in Indo-China to bring pressure on Vietnam.

Zhao was commenting before the start of three hours of private discussions in Peking with the visiting French President, M Francois Mitterrand. Kampuchea was expected to be the main issue in the meeting.

"France has had strong historical, economic and cultural links with the countries of Indo-China and therefore should be able to play a role in urging Vietnam to take action and institute the resolutions adopted by the United Nations General Assembly and other international conferences regarding the Cambodian problem," Zhao told reporters.

"I think that in the course of our detailed discussions there is a strong chance that we'll be able to reach agreement. I'm quite optimistic about it."

France still has friendly relations with Vietnam and continues to supply it with economic aid in spite of its opposition to the continued occupation of Kampuchea.

In a speech after his arrival in Peking on Tuesday, M Mitterrand said France was ready to back proposals which would "restore the right to happiness or at least to hope," to the Kampuchean people.

But M Mitterrand indicated that France was opposed to any move that enabled the Khmer Rouge forces to re-gain a dominant position.

"They were eventually a bloody and, in our eyes, inexcusable regime. This must be made clear. We will not change our language to fit the circumstances," M Mitterrand said.

Zhao emphasised that both China and France were opposed to Vietnam's continued occupation of Kampuchea, wanted a solution based on a total troop withdrawal and believed that the present regime in Phnom Penh could not be recognised.

France is keen to tie up two deals: The supply by the Framatome company of nuclear equipment for a new power station in Guangdong Province, and the sale of Cit-Alcatel electronic equipment for China's telecommunications system.

While Framatome is considered likely to win the contract to supply the nuclear part of the Guangdong plant, Britain's General Electric Company is considered favourite to get the non-nuclear part of the project. It is believed that the French are continuing to push for the entire deal.

A plan for China to buy advanced Mirage fighter aircraft appears to have been dumped, after signs of a major shift in the Chinese leadership's thinking on defence priorities.

Late last year, Hu Yaobang, Communist Party General Secretary, told French reporters that China was ready to buy and co-produce the Mirages.

In a brief remark to reporters before his first round of talks with M Mitterrand, Zhao said: "As for Mirages . . . I've been told that they're quite expensive. Perhaps China will not be able to buy any."

The apparent scrapping of the idea reinforces indications that the Chinese leadership is switching its defence emphasis away from expensive imported conventional weapons.

In a major article on defence policy published last month, China's Defence Minister, Zhang Aiping, said China must develop its own advanced weapons and concentrate funds on strategic guided missiles and centres for producing nuclear fuel and weapons.

In March, China cancelled a record \$150m (£100m) deal under which a consortium led by British Aerospace would have re-equipped China's main destroyer fleet with advanced missiles and electronics.

## New Delhi liberalises investment policy

By K. K. Sharma in New Delhi

THE INDIAN Government has decided further to liberalise its industrial licensing policy by permitting the so-called "large monopoly" business houses to invest in about a dozen hitherto banned sectors. An announcement is expected in a few days.

The new areas in which the monopoly houses—defined as those with assets of more than Rupees 200m (£13.4m)—will be allowed to invest include high technology electronic and engineering products which are now being imported by India. They also include some drugs and pharmaceuticals.

It is unclear whether foreign companies will be allowed the same facilities. The practice so far has been to put the monopoly houses and companies with a majority foreign equity holding in the same category.

## ADB likely to defer Peking membership bid

By Emilia Tagaza in Manila

PRESSURE from Washington is helping to play down the issue of China's membership of the Asian Development Bank (ADB) at the annual meeting of its board of governors which began yesterday.

An ADB official said China's application for membership may not be acted on, partly because the bank's governors realise that if the U.S. Congress makes good its threat to cut its support of the bank if Taiwan is expelled, the ADB "could be destroyed." The U.S., together with Japan, contributes the bulk of the bank's capital.

China's application and the ensuing debate over the issue between the U.S. and Chinese Governments are seen by the ADB as a test of will between the two countries. China had succeeded in unseating Taiwan from the United Nations, the International Monetary Fund (IMF) and the World Bank.

The governors are also expected to reject India's attempt to borrow from the ADB for the first time this year. An ADB official said the U.S., which is strongly resisting India's bid, has recommended that India borrow from the World Bank and the capital market.

In New Delhi yesterday a Finance Ministry official said India would ask for a \$2bn loan from the ADB, but at commercial interest rates.

## Iran cuts oil price for Japan

By Richard Johns

IRAN HAS agreed to give Japanese purchasers a \$2 per barrel discount below the Organisation of Petroleum Exporting Countries' official price levels, Mr Adanori Yamanaka, Japan's Minister of Trade and Industry, said in Kuwait yesterday.

As a result, Iran's other customers are likely to seek a similar reduction in prices, raising the possibility of the first serious erosion of the price structure painfully worked out by Opec in London in March.

The Iranian concession appears to end the deadlock over the renewal of contracts which has persisted since Iran announced its new rates in March.

Reuter adds: Iran's Prosecutor-General yesterday announced the dissolution of the pro-Soviet Tudeh (Communist) Party and told all members and supporters of the party to report to prosecutor's offices, the national news agency Irna reported.

## For Shultz, Israel may have a little parting gift

BY ROGER MATTHEWS, MIDDLE EAST EDITOR

MR GEORGE SHULTZ began his first official trip to the Middle East as U.S. Secretary of State last week on the back of failure rather than on a crest of optimism.

The obituaries for President Ronald Reagan's peace plan were still warm off the presses when he touched down in the region to launch an open-ended shuttle between the main protagonists. After 10 days of talking, Mr Shultz still appears to doubt whether he can resuscitate the corpse.

Mr Reagan had proposed a compromise between Israeli and Arab positions. The Palestinians in the West Bank and Gaza would be given self-rule in association with Jordan, but not an independent state, and all foreign forces would withdraw from Lebanon.

In part because the Americans failed actively to pursue the plan, the main participants were not persuaded that the political risks involved were sufficiently offset by the potential benefits.

First Israel and then King Hussein of Jordan said they could not co-operate. By the time Mr Shultz arrived in the region he seemed to have decided that he could only realistically seek to salvage one element of the plan—the withdrawal of all foreign forces from Lebanon.

Israel would ideally like to pull out of Lebanon. But Mr Menahem Begin, the Premier, has invested so many Jewish lives and so much of his personal political stock in last June's invasion that he cannot risk less than a totally secure northern border and a Lebanon largely free from direct Syrian or Palestinian influence.

Just as important, he wishes finally to kill off Mr Reagan's plan for Palestinian self-rule in the West Bank and Gaza. Should Mr Shultz score a swift political triumph in Lebanon, there would be an unacceptably high chance of him bouncing back, eager to readminister the medicine in other occupied territories.

So, for the past week, Mr Begin and his ministers have been explaining the issues to Mr Shultz, although he has undoubtedly heard them a dozen times from his own officials.

The same treatment has been accorded to Mr Shultz in Beirut, where the Government is almost entirely reliant on American influence to regain sovereignty over its land.

Mr George Shultz (left) returned to Israel yesterday after further talks in Beirut with Lebanese leaders, including President Amin Gemayel (right). He gave no hint of concrete progress on how to get Israeli, Syrian and Palestinian forces out of Lebanon, but said he had a clear idea of the Lebanese Government's position.

Lebanon's Foreign Minister, Mr Elie, Salem, said: "We do not have an agreement but we have a clear understanding," which it was hoped would lead to an agreement.

If the negotiations were just tripartite there might be real reason for hope. However, there are also some 30,000 Syrians and up to 9,000 armed Palestinians in Lebanon. The Israelis say they will not leave Lebanon until the Syrians and Palestine Liberation Organisation are out.

Damascus sees its presence there as a major bargaining card in its quest for the return of the Golan Heights and for a Palestinian state. So if Mr Shultz seeks to settle the Lebanon question on its own, without reference to the West Bank, Gaza and Golan, he can expect little co-operation from the Syrians.

Any attempt to break out of this tail-chasing circle is further complicated by super-power rivalry. The Soviet Union, still smarting from accusations that its Syrian-operated military hardware performed inadequately against the Israelis last summer, has more than compensated Syria for its losses. It now has several thousands of its own personnel in Syria; some of whom are manning the newly-installed Sam-5 missiles.

While the Syrians stay in Lebanon, they assure themselves of a central role in Arab politics and the Middle East peace search. Through its close association with Syria, the Soviet Union retains the capacity to frustrate a Middle East pax americana.

But even if Mr Schultz returns largely empty-handed from the Middle East it will scarcely be the disaster for the White House which some diplomats in the region have suggested.

The Iraq-Iran war has tucked Saudi Arabia and the other Gulf states more cosily under the American umbrella, while Israel's military dominance and Egypt's political quiescence appear to ensure that no major conflagration contrary to U.S. strategic interests will occur elsewhere in the region.

Mr Reagan would, of course, like Mr Schultz be able to demonstrate some success, but with his thoughts turning towards re-election it would be more comforting if this was achieved without overt Jewish hostility.

An astute Mr Begin can bide his time. There is a limit to the political capital Mr Shultz can invest on this trip and, as the days tick by, his personal negotiating style appears to have worked against the creation of any momentum. As a parting gift to him, Mr Begin might just announce a limited pullback in Lebanon.

# AMERICAN NEWS

## 'Mediocre' schools criticised by panel

By Nancy Dunne in Washington

"IF AN unfriendly foreign power had attempted to impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war."

With this stinging indictment, the Bipartisan National Commission on Excellence in Education last week released its "open letter to the American people."

The 18-member panel, appointed in August 1981 by Mr T. H. Bell, the Secretary of Education, concluded that U.S.-educated students would be unable to compete in the high-tech society of the future.

According to the report the risk was not just that "the Japanese make automobiles more efficiently than Americans" or that the South Koreans can build the world's most efficient steel mill but that these developments "signify a redistribution of trained capability throughout the globe."

The panel, headed by Mr David Pierpont Gardner, president-elect of California's state colleges system, said in its report that 13 per cent of all 17-year-olds and 23m adults are functionally illiterate; that college tests demonstrate a virtually unbroken decline from 1963 to 1980; and that average achievement tests of most high-school students show worse results than 26 years ago.

The panel pointed out that the deficiences had come at a time when the demand for highly skilled workers was accelerating, when computers and computer-controlled equipment were penetrating homes and business, and when technology was radically transforming a host of occupations.

According to the report, U.S. students spend fewer days and fewer hours per day in school than European students. The time they spend learning mathematics, biology, chemistry, physics and geography is three times less than that spent by students in other countries.

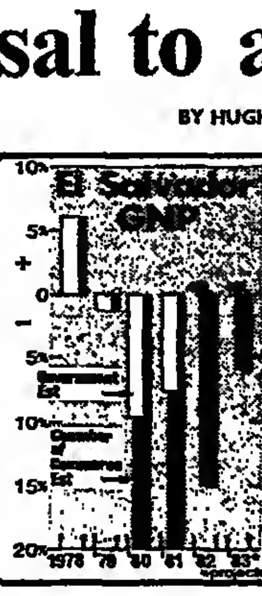
In its recommendations, the panel suggest more emphasis should be placed on maths, science and English, better-paid teachers and homework.

It also urges state legislatures, which have the prime responsibility for overseeing public education, to consider lengthoning the school year

## IMF refusal to aid El Salvador worries U.S.

BY HUGH O'SHAUGHNESSY, RECENTLY IN SAN SALVADOR

THE International Monetary Fund (IMF) is refusing to disburse new loans to the Salvadorean Government of President Alvaro Magaña because it feels that the Salvadoreans are not adhering to the guidelines on fiscal policy that they agreed to follow last year.




The refusal of the Fund to make new funds available is putting in jeopardy the plans of the Magaña Government, backed by the Reagan Administration, to maintain gross national product at the same level as last year and to avoid a further contraction in the economy.

The Fund's attitude has seriously worried both the Salvadorean and U.S. Governments. Some leading economists in El Salvador forecast that the economy will contract drastically in 1983 in the light of the guerrillas' announced intention of stepping up sabotage of economic targets and the draining away of business confidence in advance of general elections announced for December.

Nor will the Salvadorean economy be helped by the continuing low prices for its agricultural exports of cotton, coffee and sugar, or the turmoil in the rest of Central America which used to be a promising market for its industrial goods. El Salvador, which used to pride itself on its budding electronics industry, now sees star companies like Texas Instruments, which has closed a factory, cutting their commitments. Direct foreign investment has virtually dried up.

Data on the Salvadorean GNP has been the subject of controversy. The Salvadorean Chamber of Commerce and Industry has published statistics which have been markedly more pessimistic than those of the Government.

While the Government reports that GNP was stationary last year the Chamber reports that it fell by 6 per cent. The Chamber suggests that GNP fell by 20 per cent in both 1980 and 1981 while official statistics show a drop of 9.6 per cent in 1980 and one of 7.5 per cent in 1981.

The Magaña Government had been hoping that the Fund would advance it \$22.5m this year, about half what it received from the IMF last year. Fund officials, however, are reportedly unhappy with the Government's monetary policies, which they consider too lax, and with President Magaño's unwillingness to impose the higher taxes which had been agreed with the Fund. With an election coming up in December, economic observers see little likelihood that the taxes will now be imposed.

The outflow of capital from the country continues virtually unchecked. Against an official exchange rate of 3.75 colones to the U.S. dollar, a black market rate of around 4.20 is operating.

Some Salvadorean economists estimate that about 20 per cent of all U.S. economic assistance to El Salvador is siphoned out of the country by unscrupulous operators.

Loans funded by the U.S. to assist Salvadorean businessmen hit by the insurgency are, it is reported, taken by entrepreneurs who salt the money away abroad and then declare themselves bankrupt. Official U.S. economic aid to El Salvador amounted to \$192.7m last year.

With U.S. encouragement, the central bank has suggested a system of checking prices paid by Salvadorean importers for foreign goods. This system is, however, not yet effectively stopping the practice of over-invoicing imports, which allows Salvadorean importers to evade exchange controls and send their money out of the country.

President Alvaro Magaña.

A further practice is that of mortgaging properties to the nationalised banks for sums in excess of their value and then allowing the banks to foreclose on loans.

One economist reports the case of a landowner who mortgaged a property in the department of Usulután worth about 1m colones (\$267,000) to three separate banks, each time for about double its value. After the banks had foreclosed on the property, the former owner left with a net profit of some 5m colones. The U.S. Government estimates total capital flight ot \$1bn since the start of the insurgency.

The U.S. embassy in San Salvador has estimated the total direct cost of the insurgency to the Salvadorean economy at \$596.8m. This figure is made up of estimates of lost agricultural production (\$235.2m), budgetary outlays on refugees and defence (\$150.5m), losses to industry and commerce (\$97.8m), damage to infrastructure (\$98.1m) and other minor losses (\$15.2m).

Other losses less easy to precisely assess include an increase in food imports, falls in foreign exchange earnings, increases in diesel imports caused by the guerrillas' sabotaging of lines carrying hydro-electric power, a cut in the availability of foreign credit, falling budget revenue, declining educational and health standards and the absence of investment for future economic growth.

In a tough speech delivered at the end of last year, Mr Deane Hinton, the U.S. ambassador, bitterly attacked Salvadoreans who kept "desperately needed" capital out of the country.

With four months of the year already gone, no agreement with the IMF in sight and the Government forces showing signs of buckling under the guerrilla onslaught; few observers in El Salvador are betting that the economy will be able to maintain the levels of production it achieved last year. Some feel that 1983 could be El Salvador's worst year yet.

## Weinberger attacks Congress attempts to curb troop numbers

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

MR CASPAR WEINBERGER, the U.S. Defence Secretary, yesterday attacked moves in Congress to freeze U.S. forces at their current levels in an attempt to curtail increases in next year's defence budget.

Mr Weinberger firmly rebuked the House Armed Services Committee, usually a loyal ally of the Pentagon, which on Tuesday rejected a request by President Ronald Reagan to add 37,300 to the total of just over 2.1m troops on active service in the army, navy, air force and Marines.

The committee's vote, the first major Congressional decision on how to reduce Mr Reagan's defence budget, was seen as an indication that Congress would seek cuts in manpower to curb defence spending rather than try to axe major new weapons programmes. The Senate Armed Services Committee has shown interest in a similar approach.

Mr Weinberger said such cost-savings were "illusory" because civilians would have to be hired as a back-up if there were not enough troops to man the new weapons Congress had authorised over the last two years.

A freeze on force levels would seriously undermine U.S. combat readiness, to which the Pentagon had given top priority, Mr Weinberger said.

Mr Weinberger said that time and time again Congress had chosen the quick and easy way of paring defence costs by cutting "unglamorous" items like force numbers, for which there was no large political constituency. As a result, the forces had in the past been left with ships that could not sail and aircraft that could not fly.

Mr Weinberger called on Congress to reverse the committee's decision. More personnel were needed to man the more than 60 ships due to be launched this year, as well as other new systems such as ground-launched cruise missiles, additional air force equipment, marine artillery and restructured supply divisions, he said.

Mr Weinberger declined to specify the substantial reductions that he said would be necessary if Congress allowed a real increase in defence spending of only 7.5 per cent next year—a figure reluctantly accepted by Mr Reagan earlier this week.

Congress, however, is almost certain to cut the 7.5 per cent still further, to something like 5 or 6 per cent. Mr Reagan was originally insisting on a 10 per cent rise.

Meanwhile, a House Foreign affairs sub-committee voted to increase funds for the U.S. Arms Control and Disarmament Agency by \$4m to just over \$20m in fiscal year 1984, which begins on October 1, and to appoint its controversial new director, Mr Kenneth Adelman, to the National Security Council. The extra funds would allow the agency to increase its staff from 154 to about 175.

## Mexican economy shows signs of recovery

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO has reported some improvements in the performance of its bruised economy which confirm that the Government of President Miguel de la Madrid is fulfilling the targets of its economic stabilisation programme with the International Monetary Fund.

Sr Francisco Suarez, the Deputy Finance Minister, told the Mexican Congress on Tuesday that the country registered a trade surplus of \$3.35bn (£2.1bn) in the first quarter of 1983, compared to a deficit of \$190m in the corresponding period of last year.

Imports fell to \$1.47bn, less than one third of the total in the first quarter of 1982. The tourism account also showed a higher-than-expected surplus of \$225.4m.

He said the money supply had been reduced from an annual rate of 60.1 per cent in January to 49 per cent at the end of March. This indicated that inflation was beginning to come down and would be less than last year's record 98.8 per cent. The annual rate of inflation for the first quarter was 22.5 per cent.

The Government had also reduced the public sector budget deficit from 274.6bn pesos in the first quarter of 1982 to 211.9bn pesos.

## Oil price boost for U.S consumers

BY RICHARD JOHNS

THE RECENT \$5 cut in the Organisation of Petroleum Exporting Countries' reference price should increase indirectly the disposable income of U.S. consumers by \$22bn (£13.9bn), according to the Massachusetts-based consultants Cambridge Energy Research Associates.

The extra spending power from the reduction involves an amount almost equal to the first two rounds of income tax cuts under President Reagan's Administration, Mr Robert Dohner, author of the consultants' private report, points out.

"As important as the transfer of income is the boost of confidence that falling oil prices should bring to consumers after years of feeling victimised by rising energy prices," he adds.

His \$22bn calculation is made up of two elements. First, the lower price worldwide should reduce the U.S. import bill by \$10bn, adding as much to U.S. incomes. Second, the net effect on domestic output would be to add an additional \$12bn to consumer spending power.

The actual shift of income from U.S. producers to consumers would be in the order of \$19bn. The loss of receipts by producers would be mitigated perhaps by as much as two-thirds, by a fall in windfall profits tax payments.

Mr Dohner believes a "deep drop" in oil prices to \$20 per barrel rather than the \$29 set by the Opec reference price would be "an energy shock in reverse." It would have grave implications comparable to the damage caused to the world economy by the sharp price rises of 1973-74 and 1979.

"A great deal of investment undertaken and planned since 1979 would be rendered uneconomic—much of the successful adjustment to an unstable oil market would be undermined.

"Nor would the story end here, for a collapse in oil prices now would initiate a further cycle in world oil markets, leading to another sharp rise in prices in the future," he concludes.

## Guerrilla offensive halted

BY TIM COONE IN MANAGUA

THE NICARAGUAN Ministry of Defence claims to have halted the latest offensive by 1,200 Right-wing anti-Government guerrillas in the northern department of Nueva Segovia, some five kilometres from the Honduran frontier.

However, there are reports that the fighting is continuing. The Nicaraguan Government claims the Honduran army is maintaining artillery and mortar fire in support of the counter-revolutionary forces, and that Honduran troops are operating inside Nicaraguan territory, giving logistical support to the guerrillas. Unconfirmed reports say several Honduran soldiers have been killed inside Nicaragua.

A Western diplomatic source said yesterday that the apparent involvement of Honduran troops in the fighting and their entry into Nicaragua could be "very serious."

"Hot pursuit" raids into Honduran territory by Nicaraguan forces could trigger a possible military response by the U.S. in support of Honduras, he said.

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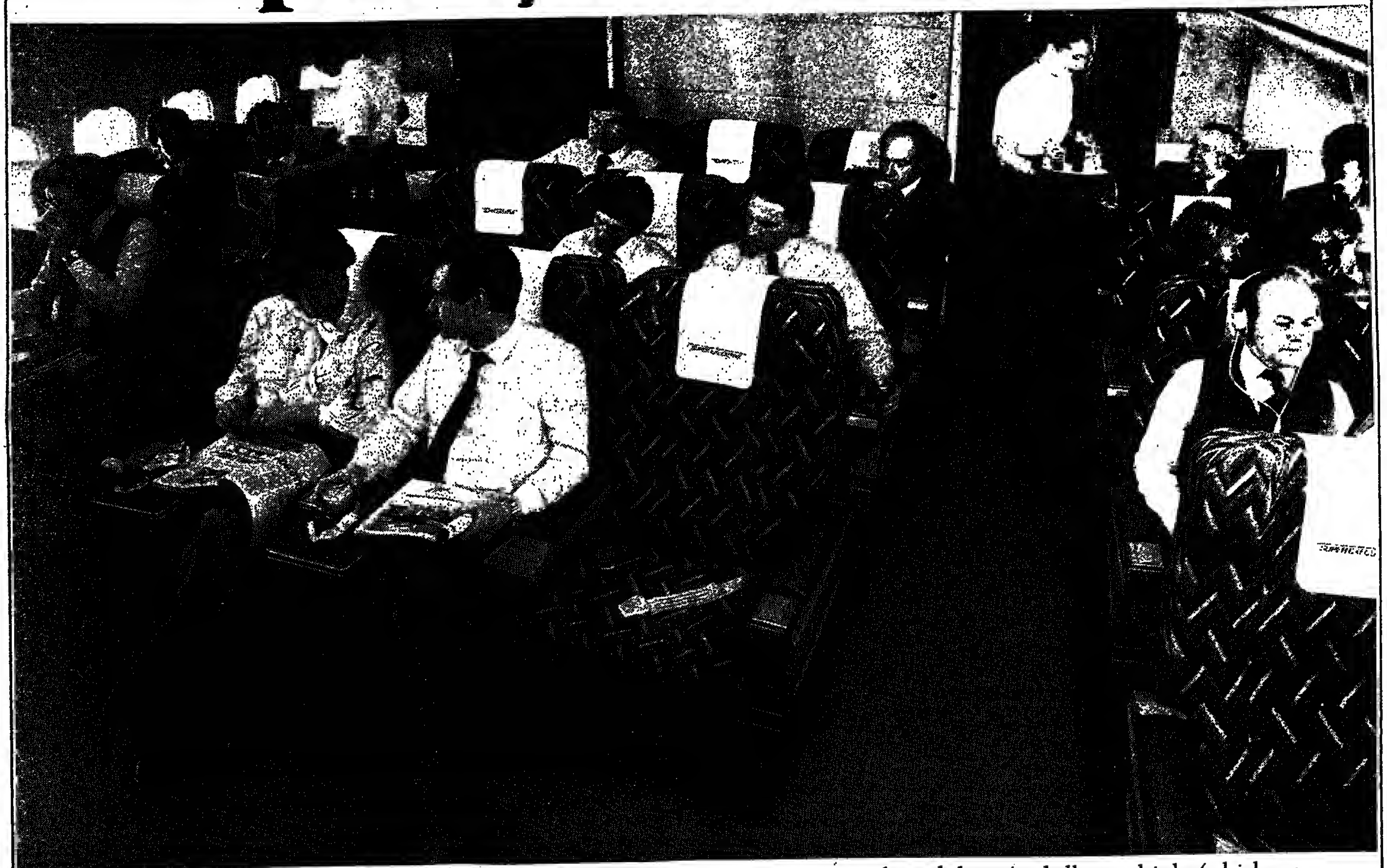

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# WORLD TRADE NEWS

## First-quarter British exports to Nigeria drop by a third

BY QUENTIN PEEL, AFRICA EDITOR

BRITISH EXPORTS to Nigeria fell by a third in the first quarter of the year, and are currently running more than 40 per cent below the level of the same period of 1982, according to the latest British trade figures.

The decline is a result both of Nigerian efforts to reduce their imports to match a sharp drop in oil income, end the refusal of international banks to confirm letters of credit issued in Nigeria, because of the country's estimated $5bn arrears in trade payments.

British exports, which normally account for around 20 per cent of Nigerie's imports, totalled £86m in January, nearly £62m in February, and recovered slightly to almost £74m in March, to give a quarterly figure of £222m, compared with £390m in the first quarter of 1982. In the last quarter of 1982, they were running at around £100m a month.

The immediate cause of the drop was the introduction by Nigeria of compulsory import licences for some 250 different categories, including the whole range of industrial machinery, as well as raw materials and consumer goods. Licences started to be issued in February, resulting in the March recovery.

The figures give no indication of the level of actual payments. Traders and bankers maintain that the pipeline of Nigerian arrears has if anything lengthened in recent months, and will worsen further because of the continuing depressed level of Nigerian oil production.

The Nigerian government planned for a level of all foreign exchange payments of N600m a month throughout 1983, based on oil production of 1m barrels a day at the former Opec price for Nigerian crude of $35.50. Since then, the Nigerian price has been cut to $30, and production in the first quarter was still far below 1m b/d.

In January, prodoction averaged 833,000 b/d. In February it fell to only 673,000 b/d, and in March it recovered to little more than 900,000 b/d, which would bring in no moro than $500m a month in foreign exchange earnings. In the same period, if all imports reflected the same trends as British trade, foreign exchange spending must have continued around $800m a month.

Oil production is currently running e little higher than 1m b/d, but even at that level, Nigeria will face a monthly deficit of some $300m in its foreign exchange balance.

## Brazil decides to quit six-nation trade group

BY ANDREW WHITLEY IN RIO DE JANEIRO

BRAZIL HAS dealt a serious blow to the faltering cause of economic unity in Latin America by announcing its withdrawal from Aladi, the largest of the region's free trade associations.

A decision was announced over the weekend at a meeting in Montevideo of the six-nation grouping. Its remaining members are Mexico, Chile, Argentina, Uruguay and Paraguay.

The Brazilian government said it would not be participating in an extension of the treaty which set up Aladi in 1980.

In future, Brazil says it is to rely on bilateral trade ties, seen as being of moro immediate benefit to its external balance of payments. Barter and semi-barter trade arrangements are being instituted with Mexico and Argentina.

Although these moves may help the country to reech its $6bn trade surplus target this year, the cornerstone of its economic strategy, the limitations involved on free trade, are unlikely to please the International Monetary Fund.

Inter-regional trade in Latin America doubled during the 1970s compared with the previous decade. But, on average, it is still responsible for less than 20 per cent of the region's imports and exports.

## UK agents get set for project competition

By Christian Tyler, World Trade Editor

THE CROWN AGENTS have *largely completed* a three-year programmo to turn themselves into a slimmer and more internationally competitive manager of projects in developing countries.

The annual report, published yesterday, records that the Agents' marketing drive has prodnced a "dramatic increase" in this side of their work. Although more than *half of the Agents' activities* are still funded by client countries, the corporation last year was involved in projects financed by over 30 multilateral or bilateral aid schemes.

The Agents recorded a deficit of £39,000 last year, on an operating surplus of £1.24m compared with £2.28m in 1981. Interest of £1.28m was paid on capital debt—the value assigned to the Agents assets when the organisation was reconstituted as a corporation in January, 1980.

Another £2.23m was paid from temporary working capital to leave the debt at just over £20m.

The Agents claim not to have suffered unduly from the debt crises in many of their client countries, and no *bad debt was recorded.* But Sir Sidney Eburne, the chairman, warns that 1983 will be difficult. Nevertheless, a £250,000 surplus was recorded for the first quarter of 1983—traditionally the best time of the year.

The Agents appear to have escaped the worst of the developing world's debt problems by imposing more stringent terms. Their statutory requirement to deal only with governments or public sector bodies may also have helped.

In the last year they have stepped up their lobbying of *financial institutions* like the World Bank in order to secure supply and advisory contracts with recipient countries.

The corporation says that 70 per cent of its purchasing is still with UK suppliers, and it tries not to compele with British private sector consultants.

Frank Gray reports on the problems of advising the Bangladesh Power Development Board

## A fuse thief can be an occupational hazard

WHEN CORPORATIONS are in trouble they often seek, or bave thrust upon them, the counsel of a management consultancy. The end result is often a report calling for changes at all levels of the corporation.

But when Armitage Norton Consultants of the UK were asked to apply their expertise to a Third World problem, they found that what is remedial for a company in the industrialised world is quite different from the solutions needed in an underdeveloped country.

The company and Ewbank Preece, the engineering consultants with which it merged in 1980, recently agreed to provide management and technical advice to the Bangladesh Power Development Board in Dacca. The deal emerged as e result of Ewbank's connections in the region and with the British Overseas Development Agency, which has extensive aid ties with the Bangladesh Government and the Power Board.

Mr Chris Brooks, Armitage Norton's managing director, who led the seven-member consulting team, said the assignment had proved one of the most challenging of the group's overseas activities. These have included power plant consultancy in Jordan, Indonesia, Somalia and Tunisia. Closer to home, it is currently preparing a report on the Northern Ireland Electricity Board.

What he and his team found when they arrived in Dacca was a company still crippled by the physical damage sustained during the civil war more than e decade ago.

The board, with an installed capacity of 820,000 Mw of power, is still repairing power stations with shrapnel holes in them; some 40 per cent of gross energy output vanishes and collection of revenue from billings is running about 10 per cent behind actual billings of about £60m per year.

Pilferage of fuses from electrical installations and lubricating oil from transformers is widespread. Many Bangladeshis find that the alloy used in fuses can be converted into useful cooking utensils, and lobricating oil finds its way into household use, even for cooking.

Solving these problems is complicated further by Bangladesh's soering population—now 90m compared with 75m ten


years ago—and the strains on the power system posed by a 15 *per cent population* migration to the cities each year.

In these circumstances, the Bangladesh Power Board had little choice but to operate under "crisis management," Mr Brooks said.

The group's arrival was facilitated by the British high commission, which is equipped with working and hostel facilities as well as e small fleet of cars, which were put at the company's disposal. The consultants wero thus able to begin work with the Power Board immediately.

The company's brief was to advise on how to bring the wastage of power and the Board's billing mechanism under control and to examine the Dacca electricity supply network. In practice, this meant instilling the concept of forward planning and preventive maintenance of the Board's facilities and moving eway from crisis management and breakdown maintenance.

Armitage Norton immediately discovered that local realities precluded drastic solutions. A reduction of the work force of 21,000 was not possible in a labour-intensive country where jobs are precious. The caste system remains e strong feature of management - worker relations.

Additionaly, much of the 40 per cent power loss takes place in crowded cities where whole neighbourhoods illegally "hook on" to overhead power lines. Policing this would have caused considerable social disruption.

"We quickly recognised that we would have to work with the existing resources. Our objective, after all, was simply to eradicate the worst of the faults," Mr Brooks said.

Establishing an atmosphere of trust with management and clerical staff was the first priority and the company set out to involve staff in evaluating their work through preparing their own job descriptions. "There were no job descrip*tions before,* and it forced the employees to consider how they saw their responsibilites," Mr Brooks said.

Refinement of those early draft job descriptions is now leading to a much more subtle redeployment of work and engendering a greater sense of employee responsibility, both at office level and in the field.

The company also realised it was *important* to *get* the employees to use new hardware, such as computers. The use of computers has sharpened awareness of the need for correct billing, for example. Many bills were found to be too high, others too low, countless users were not getting bills at all, and there were delays in payments.

After six months, Armitage Norton is keeping a small staff on site to monitor progress. The group feels that there may be several years yet of commuting between London and Dacca.

## China considers investment in Australian iron ore

BY MARK BAKER IN PEKING

CHINA'S Baoshan steelworks, already e planning disaster, is about to edd a new dimension ot Peking's economic policy. This huge plant, whose costs are thooght to have overshot their original target by $10bn, is the main reason why the Chinese Government is now planning its first industrial investments abroad.

When both its phases are completed late this decade, Baoshan will require 9.8m tonnes of high grade iron ore a year. Because most of Chine's own ore is either too poor in quality or too inaccessible, the Government is seriously considering direct investment in Australian iron ore mines.

Senior economic officials have just returned from a visit to Australia with Zhao Ziyang, the Premier, during which they discussed investment possibilities with Government and industry officials. China wants to buy a substantial shareholding in an existing iron ore mining company, or establish a joint venture in a new mine to secure long-term supplies of high-grade ore.

According to the Chinese, three big Australian mining companies—Hammersley, Goldsworthy and Broken Hill Proprietary—have made preliminary proposals for joint ventures and several other companies have shown interest. But it seems that the Australians' real interest will be in negotiating contracts to shift some of their enormous ore stockpiles, rather than start new mines in the near future.

It seems fantastic that China, which already prodnces about 120m tonnes of iron ore a year, sbould go to the other side of the world to buy into a mine to secure the supply of 9.8m tonnes of ore e year.

This is just one of the reasons

**Peking wants a secure supply of high-grade ore for its controversial Baoshan steelworks**

why Beosban is now regarded *as a white elephant.* It was conceived as the centrepiece of an ambitious modernisation plan, most of which has now been shelved or modified. Planning time aws cut, serious problems with the site emerged only after construction had *begun, and the second stage* was postponed indefinitely.

The first stage is now 80 per cent completed and, officially, due to open in September 1985—three years behind schedule. Late last month China's State Council announced that the planned second stage would be revived after the first was completed. In e rare admission, China's leeder announced that the decision bed followed "painstaking deliberation."

The original estimate of the cost of the first stage was $6.4bn. Site officials claim, with straight facts, that the costs have not risen, but it is unofficially estimated that the cost of both stages—the second being similar in scope—will now be in excess of $23bn. This is after consideration of the cost of the additional port, *infrastructure* and the *drain of* maintaining a 60,000-strong workforce on the project.

It is believed that China has begun preliminary negotiations with Japan on a second loan package to finance the second stage, and that original contracts are likely to be revived.

But the big unknown factor is the cost of the supply of iron ore *for* Baoshan. If, as appears increasingly possible, it means buying into an Australian mine to secure high-grade ore shipping it a few thousand miles to a specially-built port and then transhipping it up the Yangtze, the cost could eventually make Baoshan's previous planning miscalculations appear modest.

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BANK OF AMERICA

# British Airways back in profit, but privatisation 'long way off'

BY LYNTON McLAIN

BRITISH AIRWAYS (BA) made a profit of £72m after tax, interest and exchange losses last year, but is a "long way" from the £250m pre-tax profit needed before the state-owned airline could be privatised, Sir John King, chairman, said yesterday after provisional results for 1982-83.

The results are a marked turnround on the record loss of £544m for the previous financial year. Then, BA included £426m for voluntary redundancies and increased depreciation of its aircraft fleet.

The airline is still technically bankrupt. At the end of March 1983, its liabilities exceeded its assets by £184.7m. This compares with an excess of liabilities over assets of £256.7m im 1981-82 when Ernst and Whinney, the airline's auditors, prepared the accounts oo a "going concern basis." This was after assurances from the Governmeot that it would ensure the availability of adequate finances to meet BA's obligations.

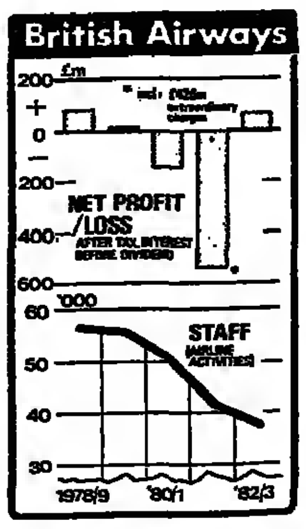
MPs on the all-party House of Commons select committee on industry and trade are to examine the affairs of the state-owned airline shortly. BA issued its preliminary, unaudited results yesterday, just over a month after the end of the financial year, "in view of this forthcoming examination," the airline said. Last year the annual results were issued in October.

Sir John attributed the success to the generation of more revenue despite a fall in passenger volume, to a reduction in airline costs through a further drop in staff oumbers and to the "hard work and efforts on the part of the employees and the co-operation of their union representatives."

Revenue for the year was £2.497bn compared with £2.241bn in 1981-82. Passenger volume was 5 per cent down to 15m passengers, but more of these paid the bigher-yield Club Class fares, according to Mr Colin Marshall, the chief executive.

The airline also benefited from the sale of International Aeradio, a 99 per cent-owned subsidiary, to Standard Telephones and Cables for £60m in cash. The profit from this sale was included in the extraordinary credit of £27m, which helped boost the airline's profits for the year. BA also sold six TriStar airliners to the Ministry of Defence.

In addition, the airline was helped by its decision not to accept all the applications for voluntary redundancy. The airline made a provision of £98m in the 1981-82 accounts for redundancies in 1982-83. This sum was designed to pay for redundancies to bring total airline staff numbers down to 35,000, Sir John's personal target, by the end of March 1983.




Only £60m of this provision was taken up in spite of a surplus of volunteers wanting to take money to leave the airline. Sir John missed his target for redundancies and the airline ended the year with 37,500 staff.

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# Post Office predicts 41% rise in profits

By Guy de Jonquieres

THE POST Office said yesterday that it expected to report a 41 per cent rise in profits for its last financial year and that it planned no further increase in mail prices in the immediate future.

Mr Ron Dearing, Post Office chairman, told the Commons Select Committee on Industry and Trade that estimated profit for the year to March 31 was £136m. That compares with £96.2m the previous year, four times higher than the year before.

The profit on posts was expected to be £120m (£91m), well up on the government's target of £73m. The National Girobank profit was expected to double to £16m (£8.2m), while a much-reduced loss of £500,000 (£3.6m loss) was forecast for Postal Orders.

The profit figures, which will not be published officially until July, follow an increase in the price of a first-class stamp by ½p to 16p last month. Mr Dearing said that the increase was the "minimum amount" needed, and that be had no plans for any further rises.

# Marconi workers accept pay rises linked to orders

BY JOHN LLOYD AND DAVID GOODHART

A GEC-MARCONI company in Chelmsford, Essex, has just clinched a radically new type of pay deal with its manual workers, under which their rises in the present year to next April depend on output keeping up with an order book of at least £100m for the year.

The 1,200 manual workers at the plant, part of Marconi Communications, accepted the deal – which does not include any rise in basic or other pay rates – last week after a three-week strike.

The management is now negotiating with the 1,200 white collar workers.

The management's insistence that all pay increases, including those of managers, are linked to output followed a year in which the order shortfall was about 20 per cent.

The company had budgeted for orders of £137m, but achieved only £102m.

Under the scheme, an output target related to annual orders is set every month, which, if achieved, triggers an increase in bonus. The bonus rises the more the output target is exceeded, but is reduced or not paid at all if the target is not attained.

The company said yesterday it expected bonuses to run at between £10 and £35 a month – but stressed that they could be nil if orders fell.

Mr Ronald Davies, district secretary of the Amalgamated Union of Engineering Workers – which organises the manual workers – said he had recommended acceptance of the deal "reluctantly."

He said: "I was particularly reluctant in view of the fact that the majority of other GEC-Marconi plants have received pay offers of some kind."

Marconi Communications employs some 9,000 workers on sites at Chelmsford and elsewhere, while Marconi, GEC's capital electronics group, employs more than 30,000 up and down the country.

The company said it believed the output-related bonus system was unique.

GEC, which employs about 160,000 workers in the UK, has traditionally stressed the independence of its companies in wage bargaining. However, many of its companies have paid tha engineering industry average of about 5 per cent.

# Howe turns down pleas to back world economy reflation

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

SIR GEOFFREY HOWE, Chancellor of the Exchequer, yesterday rejected pleas from industry and trade union leaders that he should back even a limited programme of concerted reflatioo for the world economy.

At a meeting of the *National Economic Development Council*, Sir Geoffrey identified this issue as the main disagreement between the Government and representatives of both sides of industry.

The Confederation of British Industry (CBI) has suggested that leaders of the main industrial countries should aim for an annual output growth of between 3 and 5 per cent, with some *limited relaxation* of financial policies where necessary.

Sir Geoffrey Howe

The CBI was allied yesterday with the Trades Union Congress (TUC), which is also pressing for a world reflation programme. The TUC achieved broad agreement with the CBI by omitting to mention the scale of the reflation it favoured.

*On the basis of the TUC's proposals* for the UK economy, however, CBI leaders *suspect* the unions would like world reflation to be about three times as much as the CBI is proposing.

Sir Geoffrey repeated that to achieve concerted economic growth in the leading economies, governments should control their budget deficits rather than promote the growth of nominal output with increased spending.

Lord Richardson, the Governor of the Bank of England, supported Sir Geoffrey's view that the best way to reduce interest rates was to reduce inflation.



# Record profits at a house in the City

By John Makinson in London

GERRARD & NATIONAL, the leading Loodon discount house, has reported *profits* for its *financial* year to April equivalent to more than £200,000 ($316,000) per employee.

The discount houses, an élite band of City of London institutions which have a very close relationship with the Bank of England, have enjoyed one of the most successful years in their long history.

Gerrard's disclosed earnings, at £14.2m, ($22.4m) are the highest recorded by one house in a single year.

The discount bouses act as intermediaries beween the Bank of England and the London money markets. The Bank uses the discount market to regulate the amount of money in the system by buying and selling short-term financial instruments.

The houses, although small institutions, carry holdings of commercial bills worth several billion pounds and make very high profits when interest rates fall and the capital value of the bills increases.

They also make money on their large gilt-edged (government stock) portfolios when interest rates are falling.

*Last year, the bouses benefited* from a happy coincidence of almost consistently declining interest rates and high volume of money market business.

Gerrard's actual earnings were almost certainly several million pounds higher than the reported figure, since discount bouses regularly tuck away a portion of their earnings in hidden reserves.

In its latest year, Gerrard has comfortably outstripped its arch rival, Union Discount, which has published profits of £11.4m for the year to December.

Between them, the two houses account for roughly 60 per cent of all discount market business.

Mr Roger Gibbs, chairman of Gerrard, comments, with some understatement, in the annual report that "the level of profits achieved over the last 12 months should be considered somewhat exceptional."

Discount house earnings are inherently volatile. In the previous year, Gerrard disclosed earnings of £4.3m and as recently as 1979 it declared a loss.

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# Home loans 'miscalculation by banks'

By Michael Cassell

BANKS came under attack yesterday from Mr Alan Cumming, retiring chairman of the Building Societies Association, who accused them of "disrupting" the residential mortgage market.

Mr Cumming told the association's annual conference in Bournemouth that, in reaching lending targets much more quickly than expected, the banks had miscalculated the mortgage market.

"The sbarp increase in their lending, and equally sharp reduction, bave been disruptive to the housing market, to building societies and also, one suspects, to the banks themselves.

"Certainly the presence of banks in the mortgage market is welcome, but they must be prepared to be consistent lenders. Building societies cannot be expected to make up any shortfall in the supply of mortgage funds caused by marked variations in the level of bank lending."

# Pay rises remain in 5%–8% bracket

PAY SETTLEMENTS over the first four months of this year have remained in the 5-8 per cent range – even though inflation has come down sharply and at present stands at less than 4 per cent.

The latest pay chart from Incomes Data Services (IDS), the independent pay monitoring group, shows settlements from January to April heavily bunched in this median range – with a few at 9 and 10 per cent.

This pattern, is similar to the spread of settlements over the past year. Double figure settlements remain a rarity, but so do very low settlements. The shift downwards which both the Government and the Confederation of British Industry have repeatedly called for has been marginal.

IDS says: "The explanation for this lies in the large number of companies which negotiated increases of 5, 6 and 7 per cent through 1981 and repeated settlements at that level in 1982."

"Throughout the period when the economy was 'bouncing along the bottom,' basic pay increases were lower than inflation. But when inflation fell towards 5 per cent, settlements continued to be reached within the same general spread."

## Reserves up $319m

THE UK official reserves rose by $319m last month as the pound recovered strongly on the foreign exchange markets, allowing the authorities to recoup some of the losses incurred during the smoothing operations undertaken while the pound was falling steeply at the end of 1982.

The largest component in the April increase, however, was a $145m quarterly revaluation of the reserves nnder the European Currency Unit swap arrangement with Common Market countries. When this is deducted, along with a net borrowing of $8m under the exchange cover scheme, the underlying increase in the reserves emerges as $166m.

The reserves, consisting of gold, convertible currencies and special drawing rights, were $17.7bn at the end of the month, worth approximately £11.3bn at the end-month exchange rate of $1.562 to the pound.

## Battery works open

YUASA BATTERY (UK), one of the latest Japanese manufacturing ventures in Britain, will be officially opened in Ebbw Vale, South Wales, today by Welsh Secretary Mr Nicholas Edwards.

The company has invested around £3m in the factory to produce 60,000 sealed lead acid batteries a month for the European market.

## Euro-plans brew

BRITISH brewers will not be able to compel their 35,000 public house tenants to buy their products, other than beer, if proposals put forward by the European Commission are adopted.

The decision by the Commission on the future of "tied" public houses would not require parliamentary approval either from the European or the British Parliaments.

## Belgrano inquiry

MORE THAN 150 Labour MPs have called for a special inquiry into the Government's decision to order the sinking of the Argentinian cruiser General Belgrano a year ago in the Falklands war.

# U.S. courts should hear Laker case, judge rules

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE LIQUIDATOR of Laker Airways has defeated an attempt to block his claim in the U.S. for damages of $1.7bn against British Airways, British Caledonian and other former competitors of Laker. He alleges conspiracy in violation of anti-trust laws.

In a U.S. district court in Washington yesterday Judge Harold Greene refused to transfer the case to the English court.

In a ruling that will do nothing to improve relatioas between the courts of the two countries, already strained by the jurisdiction problems posed by the Laker litigation, Judge Greene said the airlines were trying to take advantage of the UK's more lenient laws.

Secure in the knowledge that no liability attached to their activities under English law, the airlines were seeking to have the matter decided in England rather than the U.S., he said.

To relegate a plaintiff to the courts of a nation that did not recognise anti-trust principles would be to defeat a U.S. congressional direction by means of a wholly inappropriate procedural device. "That," be said, "is an action which the court cannot and will not take."

He rejected the airlines' argument that it would be more convenient to bave the case tried in the UK. European carriers flew to the U.S. and maintained extensive business establishments there, he said, adding that, if there had been a conspiracy against Laker, its hub had been in the U.S.

The liquidator, Mr Christopher Morris, of Touche Ross, has sued British Airways, British Caledonian, Pan American, Trans World, Lufthansa, Swissair, Sabena, KLM and two McDonnell Douglas companies.

He alleges that, in violation of U.S. anti-trust laws, they conspired to drive Laker out of business because of the threat posed by Laker's low-cost Skytrain service to the U.S.

The two UK airlines, Lufthansa and Swissair, all of which deny responsibility for Laker's collapse last year, have started English legal proceedings, claiming that any action against them abould be tried in England, and nowhere else.

One particular worry for them is the prospect of triple damages being awarded against them if Laker were to win in the U.S.

The Commercial Court in London is shortly to give judgment on e plea by the two UK airlines for an order stopping the liquidator from interfering with their English proceedings.

Last month Mr Justice Parker deferred his judgment, partly because he wanted to see what Judge Greene would say on the jurisdiction issue.

Tomorrow, counsel for the Attorney General is due to give the court the Government's views on the public policy issues raised

Mr Justice Parker refused to continue, pending his judgment, a temporary order stopping the liquidator from taking further steps in the U.S. action.

That order was, however, restored on appeal by the Master of the Rolls, Sir John Donaldson. He said that if the liquidator took any further steps in the meantime they might lead to U.S. court orders being made which could increase the difficulties that had arisen through the courts of both countries being concerned with the Laker litigation.

UNIONS PLAN ACTION AGAINST REDUNDANCIES

# Shipyard sit-ins threatened

BY DAVID GOODHART, LABOUR STAFF

UNIONS in British Shipbuilders (BS) yesterday threatened nationally co-ordineted shipyard occupations if BS presses ahead with compulsory redundancies.

A delegate conference in Tynemouth gave the unions' shipbuilding negotiating committee authority to organise occupations in 22 shipyards and seven engineering works if further meetings cannot find a way round the proposed 8,000–9,000 redundancies.

Mr Maurice Phelps, BS board member for industrial relations, said he was disappointed by the decision, but added that compulsory redundancies could not be ruled out.

The seriousness of the unioo threat could be tested in the next few weeks when BS is expected to start the latest programme of redundancies at the Henry Robb yard in Scotland – where 474 redundancies are sought – and Austin and Pickersgill on the Wear, in north east England, where 780 jobs are threatened.

Mr Phelps said new orders could now only minimally reduce the planned redundancies over tha next year in the merchant yards, but he was more hopeful of reduced redundancies in the offshore and warship yards.

**Employers and unions in the shipping industry are to be invited to discuss the future of the industry with the Government. Mr Ian Sproat, Parliamentary Under-Secretary at the Department of Trade, said yesterday that he hoped all sides of the industry would accept the invitation to determine means of reviving the merchant navy.**

But he warned that any occupations would "seriously jeopardise" BS's negotiations with the Government for emergency financial aid. He added: "We cannot delay the job cuts for much longer, but we can make considerable inroads with voluntary redundancies."

Average redundancy payments for a man with eight years' service stands at £5,500, although some long serving workers can qualify for up to £15,000.

Union leaders believe there is little opportunity for further voluntary cutbacks (after the last round of 2,000 voluntary redundancies completed in March) and that occupations would receive widespread support.

Mr Jim Murray, chairman of the unions' committee, said: "We are not seeking confrontation, but action could come fairly soon. There is an angry mood." He would not be drawn on whether the occupations would be token one-day actions or longer-term sit-ins on the model of the Upper Clyde work-in of 1971.

Mr Maurice Reid, national officer of the General Municipal and Boilermakers' Union, said: "The occupations will be disciplined and organised. We have sent our delegates hack with instructions to start the preparations for what we believe is inevitable."

With the BS order books so depressed, conventional strike action and overtime bans have been ruled out as pointless.

The warship yards have not escaped unscathed from the redundancy programme, but their future is more secure than that of the merchant yards and their loyalty to long-term national action must be doubtful.

If occupations do go ahead they are almost certain to be concentrated in those yards bearing the brunt of the latest redundancies.

# Conoco discovers 'encouraging' gas field in North Sea

BY RAY DAFTER, ENERGY EDITOR

CONOCO (UK) has made an encouraging gas discovery in the southern sector of the North Sea. With its partners, tha company plans to drill more wells on the unnamed field about 45 miles north-east of Great Yarmouth.

The discovery well was drilled immediately south-west of Conoco's Viking field. The well, drilled to a depth of 8,143 ft, tested two reservoir zones at a combined flow rate of 35.35m cubic feet a day.

The discovery, on block 49/21, is Conoco's third gas find in the area in the past 12 months. Conoco and other UK operators have stepped up their gas exploration programmes after the British Gas Corporation's decision to pay much higher prices for new supplies.

Tha corporation is concerned that its UK supplies may be insufficient to meet the projected demand in the late 1980s and 1990s.

During the coming months several consortia are expected to announce plans for exploiting gas discoveries in the southern sector of the North Sea. These plans could involve investment totalling hundreds of millions of pounds.

Conoco has already announced that it plans to spend some £400m on North Sea oil and gas exploration and development this year.

Its partners in the new 49/21 discovery are Britoil (37.5 per cent), Atlantic Richfield (12.5 per cent), Marathon (12.5 per cent), and Cities Service (12.5 per cent). Conoco, the block's operator, holds a 25 per cent interest.

● UK oil production rose to 2.25m barrels a day in the first quarter of 1983, up 17.5 per cent on the corresponding period of last year, according to provisional statistics issued by the Energy Department.

At the same time use of petroleum products is reckoned to have fallen by 9.7 per cent to 1.54m b/d, creating e record surplus.

Overall, consumption of fuel in the UK is calculated to have dropped by 2 per cent, compared with the January-March period of 1982, to 90.5m tonnes of coal equivalent, while total output of indigenous primary fuels rose by 8.7 per cent to 105.8m tonnes.

# Humbly Grove start planned next year

BY RICHARD JOHNS

CARLESS, Capel and Leonard is drawing up proposals for commercial development of its onshore oil discovery at Humbly Grove, Hampshire, with the intention of starting production next year.

An application to start commercial production for what promises to become Britain's second-largest field after Wytch Farm, Dorset should be submitted to the Department of Energy in June, according to company chairman Mr John Leonard. He declined to predict the likely rate of output.

Carless is the operator for a group comprising also Cambrian Exploration, Candel Petroleum, Hadson Oil, Marinex Petroleum and St. Joe Petroleum.

The company is also about to start testing its discovery at Horndean 20 miles away oo the Hampshire-Sussex border to find out the sustainable rate of output from it and also to draw up its programme of appraisal wells.

Commenting on a report by stockbrokers Fielding, Newson-Smith, Mr Leonard also confirmed that Carless bad identified no less than 50 structures on tracts of land in which it has a licence interest. The company is a participant in 35 blocks, all but four of them in southern England where prospects are considered best.

Meanwhile, the successful bid by the "Dorset Group," headed by Tricentrol, for the British Gas Corporation's 50 per cent share of the Wytch Farm oil field values the oil at $7-$8 per barrel, according to Fielding, Newson-Smith.

They do not give the detailed assumptions on which the calculation is made but it is understood to be based on the expectatioo of a "reasonable" rate of production of about 25,000 barrels a day being achieved.

The Dorset Group's offer currently being oegotiated in line with the instruction given recently by Mr Nigel Lawson, Secretary of State, is a complex one involving two or three paymeots.

The first tranche to be paid on conclusion of an agreement would be in the £80m-£100m range with a similar sum becoming liable when output has beeo increased to 20,000 b/d compared with 4,000 b/d at preseot. Only if the maximum rate of 60,000 b/d thought possible by British Gas were to be reached would the full amount offered, believed to be in excess of £250m, be transferred to British Gas.

# Hunt company assets may face tax claims

BY CLIVE WOLMAN

MR KEITH HUNT, investment manager of a Warwick company who disappeared three weeks ago and whose chief companies face liquidation, engaged in systematic tax evasion through the payments of discretionary bonuses to staff, it has emerged.

Serious doubts have also been raised about the effectiveness of the tax avoidance schema Mr Hunt organised to obtain tax-free profits for himself and his wealthiest and most favoured clients.

Mr Hunt's 2,000 investors, who placed with him an estimated £13m, may now find that the liquidated companies' assets remaining for them will he greatly reduced by the prior claims of the tax authorities stretching back over three years.

The assets of the companies that have so far been traced have been provisionally valued at £7m, including £1.5m in buildings and £1m in paintings, it was learned yesterday.

Income tax was deducted at source on the basic salaries Mr Hunt paid to his 120 staff as required through the pay-as-you-earn (PAYE) system. But Mr Hunt also paid out bonuses to a large number of staff, the size and frequency of which he alone determined, using no specified criteria. In some cases these bonuses accounted for a quarter of total annual pay.

No PAYE deductions were made on these salaries, and they were not recorded on any pay slips. Sometimes the money was paid out directly, but on other occasions it was paid into an investment fund called the managed betting account. The advantages this fund had over the managed speculative account, towards which most clients were directed, was that oo tax was payable on the profits, which Mr Hunt claimed were averaging an annual 88 per cent.

Mr Hunt claimed that the fund, whose value was about £4.5m, achieved this tax-favoured status by his using the money to bet on price movements in futures markets rather than to open positions in the futures markets themselves.

He said he had been using betting mechanism to avoid tax since ha began trading for clients in 1978. But be left few or no betting slips in his offices and refused to disclose either to staff or to most clients which bookmakers he used.

The Inland Revenue has confirmed that the profits on dealings in futures markets are normally treated as investment income for tax purposes unless a betting mechanism is shown to have been used.

# Wave power study

BY RAY DAFTER, ENERGY EDITOR

A BRITISH consortium is to study the commercial possibilities of generating electricity from wave power off Lewis in the Outer Hebrides.

The group, led by Glasgow consulting engineers Roxburgh and Partners, hopes to build a £12m prototype power station with e rated annual output of 1 Megawatt.

The group will start with e £75,000 commercial and technical study, embracing the possibility of installing e power station off Lewis as well as prospects for exporting such machines. One third of the funds will be provided by the Department of Industry under its support-for-innovation scheme.

A second stage, costing £600,000, involves design and detailed market studies. The Department bas already approved in principla a £200,000 grant

Mr Graham Roxburgh, senior partner in Roxburgh and Partners, hoped construction could begin on the offshore power plant in about two years.

The concept is based on the "Breakwater" design of the National Engineering Laboratories, one of the consortium members. Nine organisatinns are involved, including the North of Scotland Hydro Electric Board, merchant banks and leading industrial concerns.

The proposed pilot structure would be about 60 metres long, 24 metres wide and 28 metres high. It would stand on the seabed in shallow water, using turbo-generators to convert varying air pressure into electricity. Oscillating air pressure would result from the motion of waves barnessed by the power station.

APPOINTMENTS

# Harry Axton to be chairman of Brixton Estate

Mr Harry Axton, currently deputy chairman and managing director of BRIXTON ESTATE, is to succeed Mr Michael Verey as chairman. Mr Verey, who has been chairman since 1971 will retire at the annual meeting on June 22. Mr Axton will continue full time but will be succeeded as managing director by Mr Douglas Gardner who was chief executive of the properties division of Tarmac prior to joining Brixton Estate earlier this month. Mr Axton joined Brixton Estate in 1961 and became deputy chairman in 1971.

★

Sir Neal Marten has been appointed a director of LAURENCE GOULD AND CO. Sir Neil, who has been Member of Parliament for Banbury since 1959, was Minister of State Foreign and Commonwealth Office and Minister for Overseas Development until his resignation in January.

★

Sir John Colville has been elected chairman of the London committee of OTTOMAN BANK following the death of Mr Desmond A. Reid. Mr N. J. Robson has been elected deputy chairman. Mr T. R. Stephens has been appointed secretary to the Committee succeeding Mr R. A. Sutch, who retired on April 30.

★

Mr Fraser D. Campbell, an executive director of the BRITISH LINEN BANK currently in charge of the wholly owned subsidiary Capital Leasing, will join the bank's expanding corporate finance department. He will remain a director of Capital Leasing. Mr A. D. "Sandy" Nicol has been appointed chief executive and director of Capital Leasing from May 3. Mr Nicol has spent the main part of his career with Parsons Peebles of Edinburgh (then Bruce Peebles) which he joined in 1967. He became finance director and later managing director, a post he held until last month.

★

Mr Richard Stanley has been elected chairman of the METAL PACKAGING MANUFACTURERS ASSOC. following the annual meeting. A director of Metal Box, he succeeds Mr John Boden, chairman of the Metal Closures Group. Mr Arthur Church, managing director of Nacanco becomes MPMA deputy chairman.

★

Mr Christopher Townsend joins the board of MICHAEL DAVIS (SHIPPING) in May. He is moving from Hong Kong where he has been general manager of Pan Pacific Service.

★

Mr J. Olav Arnold has been appointed president of LEEDS AND HOLBECK BUILDING SOCIETY. Mr Arnold is deputy chairman of E. J. Arnold and Son. Mr Peter A. H. Hartley has been appointed vice-president of the Society. Mr Hartley is managing director of Hillards Supermarkets.

★

Mr John Appleyard has been appointed managing director of APPLEYARD VEHICLE CONTRACTS, the vehicle leasing and contract hire company which is jointly owned by Appleyard Group and Mercantile Credit. During the last five years he has been based in London as area manager and then sales director. Mr Tony Hodgetts, a director, is appointed finance director.

★

Mr Duncan K. Ord-Hume has joined WIGHAM POLAND REINSURANCE BROKERS as an associate director and WIGHAM POLAND MARINE REINSURANCE as a director.

★

Mr Robert J. Woodbridge has been appointed managing director of HOUSTON FINANCIAL SERVICES. He has also been appointed a director of Sturdy Finance and Sturdy Facilities in Liverpool.

★

Mr C. Gerrard has joined FINCH WATSON of Accrington, a wholly-owned subsidiary of EIS Group. He will succeed Mr J. West as managing director.

★

Mr M. Cowen and Mr J. V. M. Gordon Clark have joined the board of MATTHEW CLARK & SONS (HOLDINGS). Mr B. N. A. Hardman has become a non-executive director. Mr J. M. G. Cox and Mr C. M. McKenzie have also been appointed to the board.

★

PIONEER CONCRETE (HOLDINGS), UK operating subsidiary of the Australian-based Pioneer Concrete Services, has made senior management changes following acquisition late last year of Mixconcrete (Holdings). Mr John McDonald as managing director, has overall responsibility for the group's main-stream activities. Mr Ian Stainton will take over responsibility for all the group's ready-mixed concrete interests. Mr Stuart Manson who was formerly responsible for the aggregate interests of Mixconcrete will take on all the group's aggregate operations. Mr Ian Lander will assume responsibility for various interests, such as builders' merchants, timber, waste disposal, transport and garage interests. Mr Bernard Holcroft, financial director of the group, has responsibility for the group's administration and financial aspects.

★

Mr A. M. Preston has been appointed a director of GARTMORE FUND MANAGERS.

★

Mr Nigel Powers Jones has been appointed a director of DEWE ROGERSON.

★

Mr Ray Farnsworth has been appointed personnel director, MOBIL OIL COMPANY, succeeding Mr E. W. Allsop, who has retired.

★

Mr Andrew Ross has been appointed assistant chief executive of the magazine division of UNITED NEWSPAPERS, publishers of Punch, Arable Farming, Dairy Farmer, Pig Farming, The Geographical Magazine and The Countryman. For ten years he was a main board director of Morgan-Grampian.

★

Mr John Martin has been appointed director of engineering at PLESSEY TELECOMMUNICATIONS. He joins Plessey from British Telecom where his last appointment was as director of System X Development.

★

Mr N. J. Mercer will be joining the partnership of PANMURE GORDON AND CO., stockbrokers, on May 9.

★

The boards of Leslie Langton (Holdings) and Anthony Lumsden Group have reached agreement for Mr Denis E. Pearce to join ANTHONY LUMSDEN AND CO., Lloyd's brokers, later this year. He will continue to be available to Langton's on a consultative basis.

★

RENTOKIL GROUP has appointed Mr Michael Waddell as managing director of its timber preserving and products divisions. He joined the group as UK and European general manager of timber preserving in January 1981.

★

Mr Scotford Lawrence, has joined the board of Wolverhampton-based BVMI as commercial director, Boston machinery division. He was previously responsible for the European sales of plastics machinery built by the Getto Development Corp, New York. BVMI is a Midland Industries company.

★

Mr Anthony B. Davidson is to become general manager special duties, and Mr David A. McLean, is appointed general manager retail operations at TSB SCOTLAND. These appointments are in preparation for the launch of TSB Scotland on May 21 when the four present TSBs—Aberdeen, Tayside and Central Scotland, South of Scotland and West of Scotland—merge. Chief general manager designate, Mr Ian H. Macdonald, joined TSB Group from the Hong Kong and Shanghai Bank Corp.

★

The ROYAL BANK OF SCOTLAND appointed Mr Robert M. McInness as secretary from May 3. He succeeds Mr Donald A. Cameron who has been appointed general manager (Trustee and Investment). Mr McInness was law secretary.

★

ASTLEY AND PEARCE (LEASING) has appointed Mr John Brunyate to the board. He joined in June 1982. The company is a member of the EXCO International group.

★

Mr G. P. Blunden has been appointed a director of SECCOMBE MARSHALL AND CAMPION.

★

Bell and Webster, structural division of Eleco Holdings, has formed COMPOSITE STRUCTURES, a specialist building frame company. Mr Paul Barlow has been appointed managing director of the new company. He has joined the company with other members of the management team previously responsible for the Atcost subsidiary, Atcost Projects.

★

Lord Remnant has been appointed chairman of TR PACIFIC BASIN INVESTMENT TRUST on the retirement of Mr C. Michael Hughes.

★

Mr B. D. Townsend has joined the Arbuthnot Latham Bank board. He was previously a partner of Metzler Seel, Sohn and Co. Mr D. A. Lockwood, Mr R. J. Morbin and Mr E. Nilsen have been appointed assistant directors of the bank.

★

Officers of the NATIONAL ASSOCIATION OF PENSION FUNDS for 1983-84 will be: chairman: Mr Tom Heyes, Imperial Chemical Industries; vice-chairmen: Mr Colin Lever, Bacon and Woodrow and Mr Charles Woodward, Reed International; hon. treasurer: Mr Clive Hopkins, Shell International Petroleum Company. President of council is Mr. M. Lander, Duncan C. Fraser and Co.; and vice-president is Mr M. H. Oldfield, Allied-Lyons.

★

Mr A. McT. Cook has retired as chairman and as a director of WILLIAM COOK AND SONS (SHEFFIELD). Mr Andrew Cook has been appointed chairman and remains managing director. Mr A. McT. Cook will continue his association with the company as its president, an honorary position shortly to be created.

★

Mr Rodney Leach will be joining MATHESON AND CO., in London as an executive director from June 13. His responsibilities will be the development of Mathesons' financial services activities. He is general manager of the Trade Development Bank and a director of Trade Development Bank Holding S.A.





*Notice of Redemption*

# Philip Morris International Capital N.V.

**8½% Guaranteed Sinking Fund Debentures Due 1986**

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of June 1, 1971, under which the above designated Debentures were issued, Citibank, N.A. (formerly First National City Bank), as Trustee, has selected for redemption through the operation of the Sinking Fund, on June 1, 1983 (the "redemption date") at 100% of the principal amount thereof (the "redemption price"), together with accrued interest to the redemption date, $1,070,000 principal amount of said Debentures bearing the following distinctive numbers:

**$1000 COUPON DEBENTURES BEARING THE PREFIX LETTER M**

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 48 | 1861 | 3534 | 5635 | 6188 | 6513 | 7398 | 8423 | 9581 | 10294 | 11006 | 11344 | 11784 | 12290 | 12839 | 13823 | 13919 |
| 49 | 1862 | 3866 | 5636 | 6189 | 6542 | 7512 | 8435 | 9582 | 10295 | 11011 | 11366 | 11785 | 12293 | 12840 | 13825 | 13920 |
| 51 | 1863 | 3912 | 5637 | 6197 | 6553 | 7513 | 8436 | 9583 | 10296 | 11015 | 11387 | 11816 | 12294 | 12841 | 13826 | 13921 |
| 53 | 1864 | 4188 | 5638 | 6199 | 6554 | 7514 | 8437 | 9586 | 10297 | 11017 | 11390 | 11817 | 12295 | 12842 | 13827 | 13923 |
| 105 | 1897 | 4189 | 5639 | 6202 | 6556 | 7569 | 8442 | 9592 | 10298 | 11020 | 11395 | 11818 | 12298 | 12843 | 13828 | 13924 |
| 113 | 1956 | 4191 | 5640 | 6203 | 6879 | 7571 | 8445 | 9595 | 10299 | 11022 | 11396 | 11819 | 12299 | 12850 | 13831 | 13926 |
| 171 | 1957 | 4203 | 5658 | 6206 | 6990 | 7627 | 8447 | 9597 | 10301 | 11028 | 11398 | 11863 | 12305 | 12856 | 13832 | 14281 |
| 172 | 2511 | 4207 | 5659 | 6207 | 6992 | 7628 | 8450 | 9602 | 10302 | 11029 | 11403 | 11884 | 12306 | 12858 | 13833 | 14282 |
| 173 | 2593 | 4208 | 5660 | 6208 | 6993 | 7629 | 8451 | 9607 | 10303 | 11030 | 11411 | 11896 | 12316 | 12862 | 13834 | 14284 |
| 240 | 2603 | 4217 | 5661 | 6209 | 6996 | 7630 | 8453 | 9609 | 10304 | 11032 | 11412 | 11901 | 12379 | 12863 | 13835 | 14286 |
| 373 | 2604 | 4222 | 5662 | 6210 | 6997 | 7631 | 8457 | 9610 | 10305 | 11033 | 11414 | 11902 | 12381 | 12864 | 13836 | 14292 |
| 437 | 2605 | 4224 | 5665 | 6212 | 7004 | 7639 | 8460 | 9628 | 10306 | 11034 | 11417 | 11983 | 12382 | 12919 | 13837 | 14470 |
| 439 | 2606 | 4226 | 5666 | 6213 | 7005 | 7640 | 8462 | 9633 | 10307 | 11035 | 11418 | 11984 | 12383 | 12920 | 13838 | 14471 |
| 441 | 2609 | 4227 | 5668 | 6215 | 7006 | 7648 | 8467 | 9637 | 10308 | 11036 | 11428 | 11985 | 12384 | 12976 | 13839 | 14472 |
| 442 | 2610 | 4247 | 5713 | 6219 | 7013 | 7649 | 8471 | 9639 | 10309 | 11038 | 11429 | 11988 | 12387 | 12977 | 13840 | 14590 |
| 501 | 2611 | 4249 | 5716 | 6228 | 7014 | 7650 | 8472 | 9641 | 10310 | 11042 | 11436 | 11989 | 12388 | 12978 | 13841 | 14593 |
| 513 | 2612 | 4251 | 5717 | 6229 | 7015 | 7653 | 8474 | 9642 | 10312 | 11043 | 11441 | 11991 | 12392 | 12979 | 13842 | 14596 |
| 521 | 2621 | 4256 | 5723 | 6242 | 7017 | 7654 | 8484 | 9644 | 10313 | 11045 | 11442 | 11992 | 12394 | 12980 | 13843 | 14597 |
| 549 | 2622 | 4268 | 5725 | 6244 | 7020 | 7655 | 8485 | 9645 | 10314 | 11047 | 11443 | 11993 | 12396 | 12981 | 13844 | 14604 |
| 551 | 2623 | 4289 | 5731 | 6250 | 7023 | 7656 | 8487 | 9651 | 10315 | 11049 | 11447 | 11997 | 12397 | 12982 | 13845 | 14605 |
| 552 | 2624 | 4290 | 5734 | 6259 | 7034 | 7658 | 8492 | 9653 | 10316 | 11051 | 11448 | 12003 | 12399 | 12983 | 13846 | 14606 |
| 556 | 2626 | 4291 | 5735 | 6263 | 7038 | 7659 | 8498 | 9655 | 10317 | 11056 | 11462 | 12004 | 12400 | 12984 | 13848 | 14607 |
| 557 | 2628 | 4299 | 5736 | 6264 | 7052 | 7661 | 8500 | 9656 | 10319 | 11057 | 11463 | 12028 | 12403 | 12990 | 13849 | 14609 |
| 558 | 2643 | 4300 | 5740 | 6286 | 7053 | 7662 | 8501 | 9660 | 10392 | 11058 | 11464 | 12029 | 12404 | 12991 | 13850 | 14614 |
| 560 | 2651 | 4301 | 5785 | 6287 | 7059 | 7675 | 8519 | 9661 | 10634 | 11060 | 11465 | 12032 | 12408 | 12992 | 13851 | 14616 |
| 561 | 2652 | 4303 | 5786 | 6289 | 7060 | 7676 | 8521 | 9666 | 10640 | 11061 | 11472 | 12038 | 12415 | 12993 | 13853 | 14623 |
| 562 | 2653 | 4304 | 5787 | 6290 | 7068 | 7677 | 8523 | 9667 | 10641 | 11062 | 11476 | 12039 | 12417 | 12994 | 13854 | 14624 |
| 682 | 2660 | 4317 | 5788 | 6292 | 7069 | 7678 | 8524 | 9668 | 10642 | 11065 | 11479 | 12055 | 12420 | 13748 | 13855 | 14626 |
| 684 | 2661 | 4318 | 5792 | 6293 | 7070 | 7679 | 8526 | 9669 | 10643 | 11069 | 11483 | 12056 | 12421 | 13749 | 13856 | 14627 |
| 689 | 2663 | 4319 | 5793 | 6299 | 7071 | 7680 | 8535 | 9670 | 10644 | 11073 | 11485 | 12057 | 12425 | 13750 | 13857 | 14628 |
| 690 | 2668 | 4320 | 5794 | 6300 | 7074 | 7681 | 8542 | 9677 | 10646 | 11074 | 11490 | 12058 | 12738 | 13753 | 13858 | 14629 |
| 695 | 2678 | 4321 | 5795 | 6301 | 7078 | 7687 | 8543 | 9678 | 10652 | 11075 | 11491 | 12063 | 12739 | 13754 | 13859 | 14631 |
| 696 | 2688 | 4331 | 5797 | 6303 | 7087 | 7717 | 8547 | 9703 | 10653 | 11078 | 11492 | 12064 | 12741 | 13759 | 13860 | 14632 |
| 745 | 2692 | 4332 | 5800 | 6306 | 7092 | 7723 | 8548 | 9704 | 10654 | 11081 | 11494 | 12069 | 12742 | 13760 | 13861 | 14634 |
| 747 | 2693 | 4333 | 5868 | 6307 | 7093 | 7731 | 8552 | 9705 | 10655 | 11089 | 11501 | 12080 | 12743 | 13761 | 13863 | 14640 |
| 748 | 2694 | 4334 | 5956 | 6308 | 7096 | 7735 | 8554 | 9706 | 10656 | 11090 | 11503 | 12090 | 12745 | 13770 | 13864 | 14641 |
| 750 | 2696 | 4335 | 5962 | 6313 | 7102 | 7737 | 8555 | 9717 | 10662 | 11093 | 11504 | 12095 | 12746 | 13772 | 13865 | 14643 |
| 752 | 2706 | 4336 | 5963 | 6317 | 7104 | 7739 | 8556 | 9735 | 10665 | 11094 | 11515 | 12111 | 12748 | 13776 | 13880 | 14644 |
| 753 | 2710 | 4337 | 5964 | 6318 | 7105 | 7740 | 8566 | 9737 | 10666 | 11105 | 11516 | 12114 | 12754 | 13779 | 13881 | 14655 |
| 832 | 2715 | 4411 | 5965 | 6319 | 7110 | 7741 | 8567 | 9740 | 10748 | 11106 | 11517 | 12150 | 12756 | 13781 | 13883 | 14657 |
| 1082 | 2718 | 4412 | 5966 | 6320 | 7113 | 7742 | 8572 | 9742 | 10749 | 11107 | 11518 | 12151 | 12761 | 13782 | 13885 | 14661 |
| 1083 | 2720 | 4415 | 5968 | 6321 | 7114 | 7744 | 8574 | 9743 | 10751 | 11109 | 11520 | 12154 | 12765 | 13783 | 13887 | 14662 |
| 1084 | 2723 | 4416 | 5969 | 6324 | 7117 | 7745 | 8576 | 9750 | 10752 | 11305 | 11522 | 12155 | 12766 | 13785 | 13888 | 14665 |
| 1090 | 2742 | 4417 | 5970 | 6325 | 7125 | 7746 | 8578 | 9754 | 10753 | 11306 | 11526 | 12156 | 12768 | 13786 | 13889 | 14729 |
| 1091 | 2791 | 4418 | 5971 | 6326 | 7126 | 7748 | 8581 | 9755 | 10754 | 11307 | 11527 | 12157 | 12769 | 13787 | 13890 | 14730 |
| 1092 | 2795 | 4419 | 5973 | 6331 | 7137 | 7753 | 8583 | 9758 | 10755 | 11308 | 11528 | 12161 | 12770 | 13789 | 13892 | 14731 |
| 1093 | 2798 | 4429 | 5982 | 6333 | 7145 | 7754 | 8584 | 9760 | 10756 | 11309 | 11531 | 12166 | 12774 | 13790 | 13893 | 14736 |
| 1228 | 2800 | 4432 | 5983 | 6335 | 7148 | 7755 | 8585 | 9765 | 10764 | 11310 | 11542 | 12168 | 12776 | 13791 | 13894 | 14740 |
| 1523 | 2802 | 4433 | 5984 | 6424 | 7153 | 7757 | 8586 | 9769 | 10766 | 11313 | 11545 | 12169 | 12778 | 13792 | 13895 | 14741 |
| 1661 | 2803 | 4441 | 5987 | 6426 | 7156 | 7758 | 8587 | 9772 | 10767 | 11316 | 11550 | 12171 | 12782 | 13793 | 13897 | 14744 |
| 1663 | 2812 | 4530 | 5988 | 6428 | 7159 | 7759 | 9046 | 9777 | 10769 | 11321 | 11551 | 12172 | 12783 | 13794 | 13900 | 14745 |
| 1664 | 2813 | 4531 | 6004 | 6430 | 7162 | 7761 | 9048 | 10257 | 10771 | 11322 | 11656 | 12173 | 12793 | 13795 | 13902 | 14747 |
| 1666 | 2815 | 4535 | 6015 | 6444 | 7163 | 7762 | 9050 | 10259 | 10780 | 11323 | 11657 | 12174 | 12795 | 13797 | 13905 | 14748 |
| 1667 | 2816 | 4546 | 6021 | 6445 | 7168 | 7764 | 9228 | 10260 | 10784 | 11327 | 11762 | 12175 | 12797 | 13798 | 13906 | 14752 |
| 1670 | 2818 | 4547 | 6022 | 6446 | 7174 | 7823 | 9534 | 10261 | 10786 | 11328 | 11766 | 12176 | 12799 | 13799 | 13907 | 14753 |
| 1671 | 2819 | 4548 | 6073 | 6447 | 7175 | 7824 | 9546 | 10262 | 10787 | 11330 | 11768 | 12178 | 12800 | 13801 | 13911 | 14757 |
| 1674 | 2830 | 4550 | 6074 | 6448 | 7181 | 7828 | 9547 | 10263 | 10788 | 11332 | 11774 | 12179 | 12801 | 13802 | 13912 | 14758 |
| 1675 | 3426 | 4551 | 6075 | 6449 | 7183 | 7835 | 9560 | 10264 | 10794 | 11333 | 11775 | 12275 | 12804 | 13804 | 13913 | 14765 |
| 1677 | 3427 | 4953 | 6080 | 6450 | 7184 | 7836 | 9565 | 10265 | 10875 | 11335 | 11777 | 12281 | 12807 | 13805 | 13914 | 14770 |
| 1678 | 3512 | 5148 | 6081 | 6452 | 7198 | 7838 | 9567 | 10290 | 10878 | 11336 | 11779 | 12283 | 12816 | 13806 | 13915 | 14771 |
| 1679 | 3513 | 5150 | 6087 | 6461 | 7202 | 7843 | 9569 | 10291 | 10879 | 11338 | 11780 | 12284 | 12818 | 13808 | 13916 | 14772 |
| 1688 | 3514 | 5311 | 6179 | 6468 | 7382 | 7846 | 9570 | 10292 | 10990 | 11340 | 11781 | 12285 | 12837 | 13816 | 13917 | 14773 |
| 1791 | 3517 | 5634 | 6180 | 6469 | 7396 | 8422 | 9571 | 10293 | 10996 | 11341 | 11782 | 12286 | 12838 | 13822 | 13918 | |

The Debentures specified above are to be redeemed for the said Sinking Fund at the option of the holder (a) at the **Receive and Deliver Window-5th Floor of the Trustee, No. 111 Wall Street, in the Borough of Manhattan, The City of New York**, or (b) subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in Amsterdam, Frankfurt/Main, London (Citibank House), Milan, Paris, Citibank (Belgium) S.A. in Brussels and Citibank (Luxembourg) S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City on the redemption date, at the redemption price together with accrued interest to the date fixed for redemption. On and after the redemption date, interest on the said Debentures will cease to accrue, and, upon presentation and surrender of the said Debentures with all coupons appertaining thereto maturing after the redemption date, payment will be made at the redemption price out of funds to be deposited with the Trustee.

Coupons due June 1, 1983 should be detached and presented for payment in the usual manner.

**PHILIP MORRIS INTERNATIONAL CAPITAL N.V.**
By: Citibank, N.A.
as Trustee.

April 28, 1983

# TECHNOLOGY

EDITED BY ALAN CANE

REMOTE SENSING SATELLITES

## UK strategy on sky 'eyeballs'

BY ELAINE WILLIAMS

BRITAIN is aiming to make a big business ont of "eyeballs in the sky"—the nickname for remote sensing satellites orbiting some 500 miles above the ground which collect data about weather, mineral deposits and natural resources on the earth.

Mr Kenneth Baker, Information Technology Minister at the Department of Industry, outlined a new strategy this week for Britain in the field of remote sensing.

He announced the setting up nf a board to bring together all tha workers in remote sensing and the appointment of an industry based team to coordinate the national programme with the aim of making research a profitablo business for the UK.

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Mr Baker said that the amount of funds committed to the project over the next four years has been increased by £14m to £45m.

The remote sensing market, however, could be worth as much as £250m a year by 1990 say industry forecasters. Mr Geoffrey Pardoe, managing director of General Technology Systems who has been oppointed head of the indnstry team and has the job of ensuring that the activities within the national programme are organised to benefit industry.

Mr Pardoe has had wide experience in the space industry. He was project manager for Blue Streak, the ill-fated rocket, and chief project engineer of Hawker Siddeley Dynamic's space division.

He will be working closely with new National Bemote Sensing Board which is made up of members from industry, the Science and Engineering Research Council, the Natural Environment Research Council, the Meteorological Office, the DoI, and the Royal Aircraft Establishment.

All of these organisations are already involved in some aspect of remote sensing.

For exampie, the RAE already gathers data from the U.S. Landsat series of satellites under the European Earthnet programme. This is a network of satellile receivers in Sweden, Italy, France, Britain, and Spain which take and process the raw data coming from space.

Mr Pardoe said that the UK already has considerable expertise, and should exploit this knowledge in turning the masses of raw data coming from spacecraft into information which can be useful to a wide variety of customers.

What is remote sensing capable of? Using sensitive instruments it is possible to sense the different ways that everything — living and non-living—either reflects, absorbs or emits electromagnetic radiation.

The way an object does this is unique so that even its weight, height, density, shape, surface texture, chemical and other properties can be identified.

This allows large areas of land in difficult terrain to be accurately mapped and surveyed for minerals and oil deposits. Various crops can be monitored as they grow, earthquakes and weather patterns can be charted, and the ocean's fish stocks tracked.

The British programme is being built up to take advantage of the European Space Agency's Remote Sensing Satellite ERS-1 which will be launched in 1987.

This satellite will carry a host of radar equipment to measure ocean and wind currents, surface temperatures of seas, wave heights and the variations in the polar ice caps. Two years later it will be followed by ERS-2 which will study mineral resources and agriculture on land.

The estimated cost for the European programmes is in the region of £400m to £600m. Britain's contribution to the programme will build up to about £10m a year by 1985.

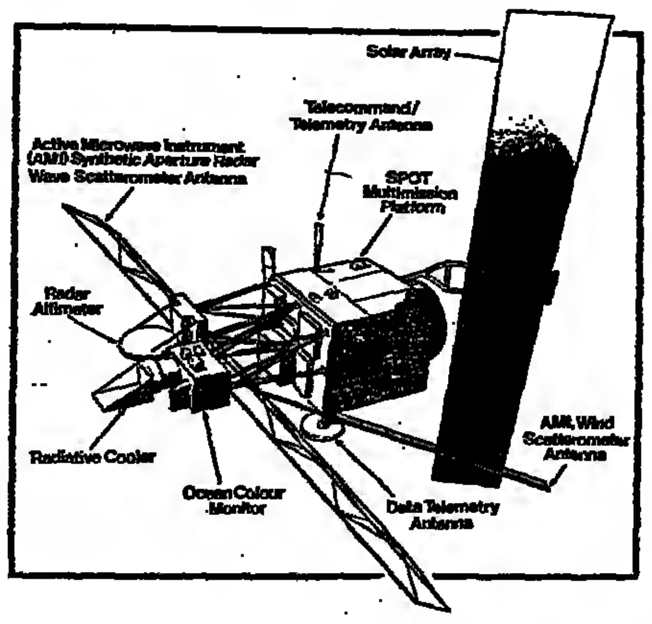
But Britain is not alone in its desire to exploit remote sensing. France has already developed its own SPOT earth resources satellite which is due to go into operation in 1984.

Its main use will be to look at land resources unlike ERS-1 which will use its microwave sensors to continue the ocean research work of earlier satellites such as the U.S.'s Seasat A which broko down after only n few weeks in orbit.

Tha Canadians are also planning to launch the first of its satellites under the RADARSAT programme in 1990. This will study ic epatterns over Canada but tha information will be available for general sale worldwide.

India's domestic satellite Insat-1 was also capable of remote sensing main for weather forecasts. Japan and Indonesia also have plans to join the fray.

At present, however, it is the U.S. which has the dominating share of the remote sensing market using its long established Landsat series of satallites.




# UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

| | Indl. prod. | Mfg. output | Eng. order | Retail vol. | Retail value* | Unemployed | Vacs. |
|---|---|---|---|---|---|---|---|
| 1982 | | | | | | | |
| 2nd qtr. | 101.0 | 88.9 | 89 | 106.8 | 145.1 | 2,743 | 107 |
| 3rd qtr. | 101.6 | 88.3 | 84 | 108.9 | 150.7 | 2,837 | 111 |
| 4th qtr. | 101.5 | 87.3 | 88 | 110.7 | 184.5 | 2,913 | 115 |
| August | 101.5 | 88.2 | 85 | 109.4 | 150.6 | 2,832 | 114 |
| September | 101.8 | 88.4 | 85 | 109.3 | 149.9 | 2,866 | 107 |
| October | 101.7 | 87.6 | 96 | 109.3 | 158.6 | 2,885 | 114 |
| November | 100.4 | 86.7 | 82 | 110.0 | 171.5 | 2,906 | 114 |
| December | 102.3 | 87.6 | 87 | 112.2 | 215.5 | 2,949 | 118 |
| 1983 | | | | | | | |
| 1st qtr. | | | | | | 3,003 | 124 |
| January | 102.5 | 89.7 | 84 | 110.1 | 154.7 | 2,983 | 122 |
| February | 103.6 | 88.6 | | 111.1 | | 3,001 | 124 |
| March | | | | 112.0 | | 3,026 | 126 |

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering outpnt, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

| | Consumer goods | Invst. goods | Intmd. goods | Eng. output | Metal mnfg. | Textile etc. | Housg. starts* |
|---|---|---|---|---|---|---|---|
| 1982 | | | | | | | |
| 1st qtr. | 92.5 | 90.7 | 121.2 | 86.1 | 81.2 | 74.3 | 14.7 |
| 2nd qtr. | 91.9 | 91.4 | 122.0 | 86.4 | 77.9 | 72.8 | 17.5 |
| 3rd qtr. | 91.4 | 91.2 | 122.6 | 88.3 | 72.5 | 71.3 | 17.1 |
| 4th qtr. | 92.3 | 89.2 | 122.3 | 85.2 | 69.3 | 71.7 | 15.0 |
| August | 91.0 | 91.0 | 122.0 | 86.0 | 72.0 | 70.0 | 15.7 |
| September | 92.0 | 91.0 | 123.0 | 86.0 | 73.0 | 74.0 | 19.0 |
| October | 93.0 | 89.0 | 123.0 | 85.0 | 72.0 | 73.0 | 15.5 |
| November | 91.0 | 90.0 | 120.0 | 85.0 | 68.0 | 68.0 | 17.3 |
| December | 93.0 | 89.0 | 124.0 | 85.0 | 69.0 | 74.0 | 12.3 |
| 1983 | | | | | | | |
| January | 94.0 | 90.0 | 123.0 | 85.0 | 79.0 | 71.0 | 15.3 |
| February | 93.0 | 91.0 | 127.0 | 86.0 | 75.0 | 70.0 | 19.8 |

EXTERNAL TRADE—Indices of export and import voluma (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

| | Export volume | Import volume | Visible balance | Current balance | Oil balance | Terms trade | Resv. US$bn* |
|---|---|---|---|---|---|---|---|
| 1982 | | | | | | | |
| 2nd qtr. | 131.4 | 130.2 | +123 | +803 | +858 | 101.3 | 17.70 |
| 3rd qtr. | 125.1 | 123.7 | +609 | +847 | +1,313 | 100.5 | 18.30 |
| 4th qtr. | 131.4 | 124.0 | +1,262 | +1,709 | +1,736 | 99.3 | 17.00 |
| September | 130.7 | 126.1 | +325 | +404 | +390 | 99.7 | 18.30 |
| October | 126.8 | 125.8 | +215 | +364 | +501 | 98.8 | 18.50 |
| November | 132.4 | 122.5 | +539 | +688 | +543 | 99.4 | 18.00 |
| December | 135.0 | 123.8 | +508 | +657 | +632 | 99.7 | 17.00 |
| 1983 | | | | | | | |
| 1st qtr. | 130.0 | 132.1 | −253 | +287 | +1,718 | 98.6 | 17.34 |
| January | 121.0 | 134.1 | −491 | −311 | +510 | 98.8 | 16.85 |
| February | 130.2 | 134.6 | −138 | + 42 | +604 | 99.1 | 16.58 |
| March | 138.8 | 127.6 | +370 | +556 | +604 | 98.1 | 17.34 |
| April | | | | | | | 17.66 |

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

| | M1 % | M3 % | Bank advances % | DCE £m | BS inflow | HP lending | MLR % |
|---|---|---|---|---|---|---|---|
| 1982 | | | | | | | |
| 1st qtr. | | | | +3,194 | 967 | 2,157 | |
| 2nd qtr. | 2.1 | 8.2 | 26.2 | +4,535 | 1,344 | 2,219 | |
| 3rd qtr. | 15.2 | 12.6 | 28.3 | +4,829 | 1,796 | 2,396 | |
| 4th qtr. | 19.0 | 13.3 | 26.9 | +5,032 | 2,139 | 2,556 | |
| August | 17.5 | 12.3 | 26.6 | +2,020 | 437 | 853 | |
| September | 14.2 | 14.0 | 28.8 | +1,430 | 668 | 840 | |
| October | 24.0 | 18.2 | 32.4 | +2,814 | 886 | 808 | |
| November | 17.4 | 12.2 | 25.4 | +1,121 | 763 | 874 | |
| December | 15.9 | 9.8 | 23.2 | +1,073 | 490 | 874 | |
| 1983 | | | | | | | |
| 1st qtr. | 8.8 | 5.6 | 10.6 | +3,119 | 1,127 | | |
| January | 7.6 | 4.2 | 6.7 | +909 | 391 | 872 | |
| February | 9.9 | 5.2 | 13.0 | +873 | 386 | 813 | |
| March | 9.1 | 6.9 | 11.8 | +1,337 | 350 | | |

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

| | Earnings* | Basic matls.* | Whsale. mnfg.* | RPI* | Foods* | FT* comdty. | Strlg. |
|---|---|---|---|---|---|---|---|
| 1982 | | | | | | | |
| 2nd qtr. | 222.7 | 240.0 | 238.2 | 321.5 | 304.1 | 233.46 | 90.3 |
| 3rd qtr. | 227.8 | 244.9 | 242.0 | 323.0 | 297.0 | 228.88 | 91.4 |
| 4th qtr. | 231.3 | 251.7 | 246.8 | 326.4 | 298.5 | 238.84 | 89.2 |
| September | 226.2 | 245.6 | 243.2 | 322.9 | 295.9 | 228.56 | 91.7 |
| October | 228.0 | 246.1 | 245.1 | 324.5 | 296.5 | 227.18 | 92.5 |
| November | 232.2 | 252.6 | 246.5 | 326.1 | 298.8 | 228.03 | 89.5 |
| December | 233.8 | 255.6 | 248.8 | 325.5 | 300.1 | 238.84 | 85.6 |
| 1983 | | | | | | | |
| 1st qtr. | | 258.4 | 251.3 | 327.0 | 302.1 | 277.29 | 80.6 |
| January | 232.4 | 261.1 | 250.1 | 325.9 | 301.8 | 255.45 | 81.9 |
| February | 237.0 | 257.0 | 251.2 | 327.3 | 302.1 | 256.25 | 80.7 |
| March | 327.9 | 257.1 | 252.6 | 327.9 | 302.4 | 277.29 | 79.1 |
| April | | | | | | 274.56 | 82.8 |

* Not seasonally adjusted.

Nissan's Research Vehicle 11, based on the Nissan Sunny, has a turbocharged engine producing 120 bhp, plastic wheels and plastic fuel tank, and a polycarbonate resin windscreen.

## Nissan goes for safety with a radar control system

BY JOHN GRIFFITHS

"CARS of the future" put on display by manufacturers have moved away from exotica, with zero chance of going into productior, towards vehicles incorporating ideas which almost certainly will get on to the assembly line.

Such is the case with Nissan Research Vehicle II. Based on the current Sunny model, it looks similar to the car already offered for sale.

But it gathers into one package Nissan's ideas on how to make a vehicle simpler and more efficient for the driver to operate, lighter—short of the leap into full plastic bodies expected to be widespread in the 1990s—and safer.

In the case of safety, the Nissan car's most notable feature is the coupling of its cruise control to a radar system.

This measures the distance to a vehicle ahead and if the gap becomes too small for any given speed, the cruisa control is interrupted, a computer voice warning is given and the car slowed until a safety distance is restored.

The system is backed up by anti-skid braking, which currently remains the preserve of Mercedes, BMW and a rival Japanese manufacturer, Honda.

The driver's task is also made simpler by an on-board computer which is the next step on from the much-ballyhooed unit fitted to BL's Maestro. Whereas the Maestro computer issues only information and warnings, the Nissan vehicle's also responds to spoken commands from tha driver.

The voice dialogue system can recognise 26 words, so the driver can ask for such things as lights to be switched on and wing mirrors adjusted. There is also a "drowsiness monitor" which measures brain wave patterns and can tell if the driver is becoming tired and less alert. If the driver begins to fall asleep, a flashing lighter and buzzer operates and the computer will eventually ask him to rest.

An on-board drive information system, incorporating cathode ray tube, allows the driver to enter his planned route in detail by marking his starting point and destination on the tube's illuminated map, and dictating his intended route. The system then tells him which way to turn and when.

The car is fitted with a 1.3 litre turbocharged engine modified, rather impractically, to run on methanol. This gives it startling performance for a 1.3 litre turbocharged model—0-60 mph in just 7.7 seconds—but methanol is hardly a fuel in abundant supply.

More practically, the fuel tank is of plastic, cutting weight by 40 per cent compared with a metal unit.

Light emitting diode

## Siemens dot matrix

NEW FROM Siemens is a dot matrix light emitting diode (LED) display that has built-in control logic circuits incuding character memory and generator, multiplex oscillator and driver circuit.

The displays have a 5x7 dot matrix structure and are "smart" enough to produce 96 figures and characters from the standard ASCII input code.

Height of the character is 17.4m and the displays are available in orange, red or green.

The design is such as to make the device competitive in price with "dumb" displays requiring external decoders and drivers. In addition, the devices can connect directly to a microcomputer bus. They are supplied in a robust encapsulation and can be interconnected to form complete rows of any number of characters. More in UK on 09327 85691.

HATTORI SEIKO TIMEPIECE RANGE

## Voice recording digital wristwatch

HATTORI SEIKO has announced a new digital wrist watch capabla of recording and reproducing voices, the latest in a series of speciality timepieces marketed by tha company.

Seiko's "TV wristwatch" which was put on sala in Tokyo and Osaka from last December, at a price of around Y100,000, has sold sufficiently well for the company to start nationwide distribution from this month, and exports to the U.S. are to begin in September.

The latest watch, called the "Seiko Voice Note," allows recording of up to 8 seconds of sound by means of a super-small speaker-microphone and two in-built 16 kilobit Ram speech sythesis chips. The company says a larger capacity version of this tapeless recording system is to be developed in the future. A spokesman suggested that purchasers of the "Voice Note" might use its sound recording function for the storage of simple messages, appointment reminders and so on.



Communications

## Change of direction

"PRACTICALLY every professional user of the microcomputer needs communications at some time," according to Peter Thompson, sales director of Modular Technology in Bicester.

So his company has changed direction somewhat, from low-volume high-technology products to mass market items that nevertheless provide a sound product at competitive prices.

The first of these is a range of low-speed modems with an end-user starting price of £175. Called the V series, tho range includes CCITT-compatible 300, 1200 and 2400 baud units for both private circuits and for attachment to the public network.

Thompson is after the micromarket and will be looking for distributors throughout the country. He also intends to explore mail order: "By their nature modems are mail-order products—you just plug them in and they work. Now they are at mail-order prices."

Perhaps Mr Thompson has read a recent Frost and Sullivan report in which it is revealed that mail order is a favoured method for personal computer sales in the U.S. For example, 39 per cent of purchases of PC software were made in this way. Modular Technology is on 08692 3361.

Communications

## Multiplexer

A STATISTICAL multiplexer for use with the VAX and PDP-11 range of computers have been launched by the Digital Equipment Corporation. It allows up to eight asynchronous terminals to be connected to the computers. DEC says that the multiplexer is compatible with its existing DZ11 8-line interface and dramatically cuts modem and line costs.

## BASE LENDING RATES

| Bank | Rate |
|---|---|
| A.B.N. Bank | 10 % |
| Al Baraka International | 10 % |
| Allied Irish Bank | 10 % |
| Amro Bank | 10 % |
| Henry Ansbacher | 10 % |
| Arbuthnot Latham | 10 % |
| Armco Trust Ltd. | 10 % |
| Associates Cap. Corp. | 10 % |
| Banco de Bilbao | 10 % |
| Bank Hapoalim BM | 10 % |
| BCCI | 10 % |
| Bank of Ireland | 10 % |
| Bank Leumi (UK) plc | 10 % |
| Bank of Cyprus | 10 % |
| Bank of Scotland | 10 % |
| Banqua Belge Ltd. | 10 % |
| Banque du Rhone | 11 % |
| Barclays Bank | 10 % |
| Beneficial Trust Ltd. | 11 % |
| Bremar Holdings Ltd. | 11 % |
| Brit. Bank of Mid. East | 10 % |
| ■ Brown Shipley | 10½% |
| Canada Perm't Trust | 11 % |
| Castla Court Trust Ltd. | 10½% |
| Cayzer Ltd. | 10 % |
| Cedar Holdings | 10 % |
| ■ Charterhouse Japhet | 10 % |
| Choulartons | 11 % |
| Citibank Savings | ¶10 % |
| Clydesdale Bank | 10 % |
| C. E. Coates | 10½% |
| Comm. Bk. of N. East | 10 % |
| Consolidated Credits | 10 % |
| Co-operative Bank | *10 % |
| The Cyprus Popular Bk. | 10 % |
| Duncan Lawrie | 10 % |
| E. T. Trust | 10½% |
| Exeter Trust Ltd. | 11 % |
| First Nat. Fin. Corp. | 12½% |
| First Nat. Secs. Ltd. | 12 % |
| Robert Fraser | 10½% |
| Grindlays Bank | ‡10 % |
| ■ Guinness Mahon | 10 % |
| ■ Hambros Bank | 10 % |
| Heritabla & Gen. Trust | 10 % |
| ■ Hill Samuel | §10 % |
| C. Hoare & Co. | †10 % |
| Hongkong & Shanghai | 10 % |
| Kingsnorth Trust Ltd. | 11 % |
| Knowsley & Co. Ltd. | 10½% |
| Lloyds Bank | 10 % |
| Mallinhall Limited | 10 % |
| Edward Manson & Co. | 11½% |
| Midland Bank | 10 % |
| ■ Morgan Grenfell | 10 % |
| National Westminster | 10 % |
| Norwich Gen. Tst. | 10 % |
| P. S. Refson & Co. | 10 % |
| Roxburghe Guarantee | 10½% |
| Royal Trust Co. Canada | 10 % |
| Slavenburg's Bank | 10 % |
| Standard Chartered | ‖10 % |
| Trade Dev. Bank | 10 % |
| Trustee Savings Bank | 10 % |
| TCB | 10 % |
| United Bank of Kuwait | 10 % |
| Volkskas Intl. Ltd. | 10 % |
| Westpac Banking Corp. | 10 % |
| Whiteaway Laidlaw | 10½% |
| Williams & Glyn's | 10 % |
| Wintrust Secs. Ltd. | 10 % |
| Yorkshire Bank | 10 % |

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.75%, 1-month 7.00%. Short-term £8,000/12-months 9.35%.
† 7-day deposits on sums of: under £10,000 6¾%, £10,000 up to £50,000 7¾%, £50,000 and over 8½%.
‡ Call deposits £1,000 and over 6¾%.
‖ 21-day deposits over £7,000 7¾%.
§ Demand deposits 6¾%.
¶ Mortgage base rate.

## THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

# Perking up Peugeot's profile

**Paul Betts on the French lion's efforts to roar back**


Campaign to change a staid image without offending traditional customers.

Victor Dial

AN AMERICAN with the good looks and polish of e Hollywood film actor is currently leading a cultural and marketing revolution at Peugeot. His very presence at the venerable but financially troubled French car company is a revolution in itself, for Peugeot has traditionally been an ultra-French, somewhat formal organisation with, in the past, a distinct distaste for picking senior executives from outside the company, let alone a foreign mercenary.

But the decision of the French private car group to hire Victor Dial from Ford 2½ years ago to edvelop and run Peugeot's marketing and sales strategy eloquently reflects the bard times that bave hefellen the old French automobile maker. Dial, the former heed of Ford in France, joined Peugeot in the midst of the car company's trauma when it merged its operations with those of Talbot —the renamed European businesses which Peugeot bought from Chrysler.

"Although the ahort term outlook waa grim, I felt the basic situation was solid at Peugeot. It had a good product range with a reputation for quality and durability. But it lacked a sense of communications, a little pizzazz or aex appeal," says Dial. "In short, their image was good but boring."

Moreover, Peugeot, which had transformed itself into a giant car producer first through the ecquisition of Citroën and then by the Chrysler deal, had no centralised marketing organisation to speek of. Dial, who is responsible for marketing for Peugeot and Talbot (although not Citroën, which maintains an autonomous identity within the whole French group), changed all that.

His plan was to change the staid image of Peugeot without at the same time offending the company's treditional customers who have relled for generations on Peugeot cars.

Advertiaing atrategy was transformed with Peugeot going for a brighter approach. Such an approach was used to launcb the Talbot Samba, the small car which Dial regards as the first real Talbot (as opposed to an old Chryaler-Simca) product, belping to give Talbot an identity of its own.

The campaign to launch Peugeot's "new look" began last September, some 18 months after Dial arrived at the French car company. The slogan was "Un constructeur sort ses griffes"; in other words "a car maker shows his claws" referring to Peugeot's traditional symbol of a rampant lion. "What we wanted to say was that Peugeot and Talbot had now merged completely and that the troubles of the reorganisation were essentially a thing of the past. And we used the symbol of the lion to say we are aggressive and heve a will to succeed."

Dial says the strategy was directed first for Peugeot's own internal consumption. "We are a group of more than 100,000 people which has heen pretty much on the defensive during the last few months. We wanted now to tell our people we were going on the offensive." He ecknowledges, bowever, that Peugeot'a financial and complex labour problems clearly continue to have an impact. Peugeot says the group will lose between FFr 2.1bn (£182.6m) to FFr 2.2bn in 1982. Dial says breakeven is possible in 1983: "1984 will be even better."

The second target of the campaign was Peugeot's own dealer network. Although, originally, Peugeot's strategy had envisaged keeping Citroën, Talbot and Peugeot itself as three separate autonomoua divisions of the group, the company was forced to scale down its grand design by rationalising and merging Talbot with Peugeot.

The third target, of course, was the general public. But having made a bold, new statement, Dial says Peugeot had to follow it np with a stream of new products living up to its new image. "We've been coming out with about one new product a month since September to justify this claim," be says. These included the Talbot Horizon diesel; the new 305 series with e diesel and a GT model; the Talbot Solara Pullman, the 505 Turbo.

The big event was the launch last February of the Peugeot 205: the small car on which Peugeot has staked many of its bopes for recovery. A rally model of the car has also been launched.

So far, however, Peugeot has concentrated its revamping efforts on its domestic market. "Fifty per cent of our volume is in France," Dial explains.

Peugeot and Talbot together bave now regained 21 per cent of the French market after hitting a low of 18 per cent. Before the Chrysler deal with Peugeot, the two car companies had a combined French market share of 28 per cent.

In the U.S., Peugeot is opting for a totally different approach from Renault, its French state-owned rival. Dial says Peugeot currently sells about 15,000 to 20,000 cars a year in the U.S. as the high end of the foreign import market. "We want to be in the same niche as Mercedes and BMW in the U.S., selling about 40,000 cars in the four years. We have a lot of problems in Europe. We want to get these sorted out first."

In contrast, Renault has been concentrating heavily on building np a large presence in the U.S. market through American Motora (AMC), the Detroit car maker, which is 46.4 per cent owned by the French state car group.

In Europe, the main problem areas are Spain and the UK. Peugeot plans to launch the 205 in Spain next year in a market becoming ell the more competitive with the recent entry of General Motors. In the UK, Peugeot's market share is e meagre 1.5 per cent to 2 per cent, while Talbot holds about 4.5 per cent of the British market.

Apart from Peugeot's financial problems, one of the key weaknesses of the group is the fact it makes too many different cars. Peugeot'a competitors on average have between 5 to 6 different models.

"We have ten. The problem at Peugeot is not too few, it's too many. That's unique," Dial says.

Dial, who joined Ford in 1961 and was head of Ford France for aeven years, has clearly played a key role in changing the thinking inside Peugeot. But he claims Peugeot wanted to change yet did not quite know how to set about it. "I would never have done what I've done without the consensus of the people here." He also says the most monumental change he bas made at Peugeot was done right at the beginning, barely two days after he joined the French company.

The change involved the very way in which Peugeot makes cars, he says. "Peugeot treditionally made cars on the basis of what the factories could produce. It now makes them on an individual dealer order basis," explains Dial.

Has the American troubleshooter been accepted inside the company? Dial thinks so, at least as far as any foreigner can be accepted in an institution such as Peugeot.

But be bas an advantage: he speaks French, his wife is French, he likes and gets on with the French. As an outsider and an American, he clearly has been able to take a more detached and dispassionate look at the Peugeot situation.

He emphasises, however, that this reticent, understated car maker wanted in any case to break out of its sbell. In this sense, Dial haa been the shaker at Peugeot. His job has been to get the tired old Peugeot lion on its feet and roaring. The next step is to stop the lion bleeding and to get him to make money.

# Coke plugs market gaps

NEVER-A-PLACE for the faint-hearted, the U.S. soft drinks industry is today locked in e competitive battle which could prove to be just too much for some of the weaker contestants. The latest sally comes from the strongest of them all, Coca-Cola. This time last year, Coke had only two cola products on the market: after the launch of three new products this week, it now has six.

The proliferation of brands in this way has become common in the industry, probably because the overall growth in the market place is not what it was. U.S. soft drink consumption, which was rising at an annual 6 per cent or more until the late 1970s, has been increasing st less than 3 per cent e year since 1980, and, as a result, the manufacturers are hunting for growth et each other's expense.

Coke had a big success with last year'a new product, Diet Coke, wbich it is now launching in the UK with a £1.5m ad campaign starting this month (see this page April 7). It is now moving into another segment of the market which is being expanded by health conscious Americans—caffeine free colas.

Although Royal Crown launched a caffeine-free cola back in 1980, the market didn't really take off until last year. That was when Seven Up, in a successful bid to bolster flagging sales of its lemon-lime drink, launched an aggressive advertising campaign built on the slogan that the product contained no caffeine: "Never had it, never will."

The cola giants, especially Pepsi-Cola, were outraged at this theme, and were even more cross when Philip Morris, Seven-Up's parent, approved the introduction of a brand new caffeine free cola, Like. But they were quickly forced to change their tune.

Pepsi-Cola, which introduced its own Pepsi Free just eight months ago, says that caffeine free colas accounted for more than four-fifths of the growth in U.S. carbonated soft drinks sales in the second balf of 1982, and forecasts that consumers will spend over $1bn on these products this year.

Coke is just as positive. It says that caffeine free colas now account for 7 to 8 per cent of the market, and is confident the category will double during 1984.

Coke means to grab half that market for itself, and is launching caffeine free versions of Coca-Cola, Diet Coke and Tab.

No-one quite knows why the sector is taking off in this way, and for obvious reasons the companies themselves tend to skirt delicately around the health issue. The U.S. Food and Drug Administration proposed at the end of 1980 that caffeine should be deleted from the list of food additives generally recognised as safe.

Meanwhile Brian Dyson, President of Coca-Cola U.S., says that "We are as convinced as ever about its safety. But consumers' perceptions of caffeine began to change, and a growing number were looking for a caffeine-free alternative."

Coke'a advertising campaign is based on the idea that the new products represent welcome brand extension offering consumers an extra degree of choice.

The question is how all these new products are going to fit on to the supermarket shelf. Dyson expects that perhaps 50 per cent of Coke's caffeine-free sales would otherwise have gone to its existing products.

**Richard Lambert**



# Roadline's moveable pitch

The use of vehicles as an advertising medium takes on a new dimension this month. For some time, buses and taxis have brought messages on the move to the consumer, on the principle that they can reach the parts that other poster sites cannot. Now Roadline, Britain's largest national parcels carrier, is selling the sides of the company's 2,000-strong collection and delivery vans. Measuring a sizeable 13 ft by 6½ ft (some eight times larger than a taxi poster), it is hard to miss them travelling by. The first advertisers to recognise this are the Eggs Authority and International Distillers for its Smirnoff vodka. Between them they have bought some 1,250 sites, the prices for which start at £60, with introductory discounts.

Since the vans nperate along predetermined rontes, it is possible to target posters with some accuracy.

The concept of poster space on vans is not exactly new. Back in the 1950s, British Road Services, as the carrier was then known, operated e similar scheme—in those days 5s 6d (27½p) bought you a 90 in by 40 in site. Roadline believes, however that this is the first time a whole vehicle side has been offered. "It offers national coverage from a central point and the prices compare favourably with other outdoor media," says Nick Lees, marketing executive for Roadline.

The scheme is Roadline's latest revitalising move since the employee buy-out of its parent group National Freight, last year.

**FEONA McEWAN**


# Hard sell for books

THE BOOK trade, traditionally rather backward in promoting itself, is moving from cruise into overdrive. Emboldened by the success of its first trade campaign 14 months ago, the Book Marketing Council has already embarked on a new push to promote young anthors

The first campaign, called the Best of British Authors, focused on 20 of the nation'a outstanding euthors, including Beryl Bainbridge, Laurens van der Post, Iris Murdoch and Rosamund Lehmann. It promoted their work with the use of dramatic point-of-sale material —namely, posters, showcards, aod bookmarks, plus considerable publicity in newspapers and magazines.

It was the first time publishers, wholesalers and booksellers had worked together in this way, adopted a thematic rather than generic approach, and no less than a qnarter of a million extra sales were recorded during the campaign — and all for a total investment of £10,000.

The council's campaigns for this yeer include the Best of Young British Novelists; Health and Sickness Promotion; and, in October, the paperback Science Fiction promotion.

The recently launched Young Novelists campaign engendered a dramatic boost in sales of some 315,000 books representing a 328 per cent boost in sales of the authors' books compared with a similar period immedietely prior to the campaign.

Booksellers taking part included independents and branches of John Menzies and a subsidiary of W. H. Smith.

**FEONA McEWAN**

# Pints of 'Sally'

A LITTLE-KNOWN Englisb actress, Vicki Michelle, has shot to overnight—if limited—stardom in the Irish Republic as e result of a brief appearance in an award winning television commercial for Harp lager.

For no very obvious reason, the commercial—and especially Michelle's role as "Sally O'Brien"—became instant folk culture. Customers began esking for "pints of Sally"; graffiti —not all of it printable—eppeared on walls; cinema audiences would chant along with the voiceover.

The campaign was devised by Frank Sheerin of Arks Advertising. His brief was to match the international image of Harp's competitors like Heineken, Carling and Tennents, while stressing its Irishness. "You can devise a success," says Frank Sheerin, "but you cannot predict this kind of public identification."

Ownera wanted to name their racehorses after Sally, politicians tried to muscle in on the theme during Ireland's spate of elections last year.

A researcb programme devised by Brian Sparks, Harp marketing manager, revealed that spontaneous recall of Harp advertising went from 61 per cent to 70 per cent.

**BRENDAN KEENAN**

# THE ARTS

## Manon Lescaut/Royal Opera House, Covent Garden

**Max Loppert**

The travails of the second Royal Opera *Manon Lescaut* of the postwar period have been widely reported. At a late hour in its preparation, the original staging had to be abandoned, and the 1979 Hamburg Opera production by Götz Friedrich borrowed in its place. Given the anxieties of its gestation, there must be relief in several quarters that the result (sponsored *by* Citibank) has turned out no worse than on Tuesday, at a gala performance in the presence of the Queen Mother, it was shown to be: a bland, rather vacuous production, and a musically unstylish reading redeemed, where possible, by the Des Grieux of Placido Domingo.

Since the work deserves far better, I think disappointment is none the less in order. The ramshackle nature of its construction has often been remarked upon; but the copiousness, originality, and spontaneity of its musical inspiration deserve no less insisting upon — and deserved a London showing in which the merits of the opera might have been fully demonstrated at last. Perhaps in future revivals, when "house routine" gets under way, there may still be a chance for a more suitably chosen conductor and a better balanced cast to do just that.

The Italian conductor Giuseppe Sinopoli makes his Covent Garden debut. He comes to London opera with a much vaunted reputation, of which certain aspects were undoubtedly supported by this unidiomatic, orchestrally hectic performance. Brilliance was its aim, and there was indeed brilliance in the playing; but it was an unhelpful kind of brilliance, for, with a "gramophone record" balance to the sonorities and an undue prominence given to every subsidiary part, its effect was constantly to draw the attention away from the voices to the pit.

*This* was a *Manon Lescaut* of frenetic striving for effect; Mr Sinopoli continually interrupted *the natural flow of the* music with punctuation marks (with ludicrous result in the *pastiche charms of the Act 2* madrigal and dance passages), continually subjected the pace to sudden extreme bursts of movement or else sudden lapses into becalmed near-immobility. If the overall purpose was to illuminate the score freshly, it has failed—for the stop-go style of the conducting lost all touch with the innate logic for Puccini's lyricism; if it was to promote intense excitement, it has *failed even more seriously* —for this was some of the least exciting Puccini of my experience.

Kiri te Kanawa makes her debut in the title role. We shall have to see and hear her in better health and in better voice before determining finally whether she is as entirely miscast in it as she appeared on Tuesday. The role, which begins in coquetry and ends in *dramatic-soprano lamentation*, is a hard one to fill out and sustain, but it is one for which, on this evidence, the soprano owns little natural aptitude. A few familiarly pure, soft-shining notes were its principal contribution; of dramatic perspicacity (and a properly dramatic low register), of *feeling* for words, there was precious little evidence. Dame Kiri began the comic primping and flouncing of the second act charmingly, but soon slipped into burlesque exaggeration.

So *it* is *exceptionally* fortunate, in the circumstances, that the main emotional focus of the opera is supplied by the tenor, and that the Royal Opera has secured the services of an exceptionally generous, ardent tenor. Domingo's appearance is romantic, his statement of the music both free from vulgarity and passionately urgent; I have *heard him* in *freer, easier voice* on other occasions, but have seldom before been so grateful for his special brand of artistic conviction.

There is a sharply etched, trenchantly sung Lescaut (a disappointingly sketchy character) in Thomas Allen; in general, though, the impression of *comprimario* and chorus work is of a not quite tidy *going-through-the-motions.* The fact that the names of Friedrich, Gunther Schneider-Siemssen (sets), and Aliute Meczies (costumes) are appended to this anodyne staging will come as a surprise, perhaps a welcome one, to many Royal Opera habitués. Nothing is *seriously* amiss, nothing very interesting or visually distinctive — the sets, all angled upon a single basic frame, use an eclectic 18th century language with reasonable facility and deftness. Their change requires only a single interval, though on Tuesday there were in fact three, of infinite length.

Kiri te Kanawa and Placido Domingo: the main emotional focus supplied by the tenor in a disappointing production

## Record Review/Andrew Clements

# Choice contemporaries

**Goehr:** Metamorphosis/Dance; Romanza for cello and orchestra. Moray Welsh, Royal Liverpool Philharmonic/David Atherton. Unicorn-Kanchana DKP 9017.

**Holloway:** Sea-Surface Full of Clouds; Romanza for violin and small orchestra. Erich Gruenberg, City of London Sinfonia/Richard Hickox. Chandos ABRD 1056.

**Smalley:** Pneuma; **Emmerson:** Ophelia's Dream II; **Wishart:** Anticredos. Singcircle/Gregory Rose. Hyperion A66060.

Any record that brings Alexander Goehr's music back into the catalogue is welcome, and one which presents two of his finest compositions of the last 15 years is doubly so. At one time Goehr was decently served by the record companies, his chamber music particularly; that it has quietly disappeared owes less to the changing fashions in contemporary music than to the unwillingness of the long-established companies to underwrite recordings of anything out of the ordinary, even with public finance. All three discs included here were supported by the Arts Council, and all three have been made by smaller, less glamorous concerns.

Both *Metamorphosis/Dance* and the cello *Romanza* pre-date Goehr's stylistic re-orientation of the mid-1970s, when austere neo-baroque constructions replaced the riper amalgam of Schoenbergian serialism and Messiaenic modality that had defined his music for well over a decade. The *Metamorphosis* is arguably the finest product of that period, certainly the most superficially attractive: while one recalls that the early performances in London by the LPO (who commissioned it in 1974) under Haitink were more richly detailed than this Liverpool *recording*, the spirit and inner resourcefulness of the music is conveyed well.

The form—a series of variations which grow ever slower and longer to a central pair of cadenzas and then reverse the process to end as they began—laid upon a programmatic scenario for an imaginary ballet on the Circe episode from the Odyssey is aurally satisfying; the glistening surfaces and high-quality ideas command immediate detailed attention.

In the *Romanza* also the form, a continuously evolving, ruminative slow movement enclosing a scherzo and cadenza, is *characteristically personal.* The mood of the work is sombre, almost elegiac, but it spawns some haunting images, not least what Bayan Northcott's sleeve note calls the "Messiaenic rampings," which eventually push the work into its scherzo. The tiny chorale which provides a sort of reposeful coda is the Stravinsky in Goehr's artistic make-up surfacing yet again. None of our leading composers in this country *has* been more aware of his legacy from the European mainstream, but at his best, as in the works here, Goehr's distillation of these influences is compelling.

With the single criticism above, performances are idiomatic; Moray Welsh's projection *of the solo part in the Romanza* (written in 1968 for Jacqueline du Pré) is thoughtful and eloquent. The recording is truthful, save for some unduly prominent percussion in the *Metamorphosis/Dance.*

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Balance is occasionally a problem in the City of London Sinfonia's pair of works by Robin Holloway also. The links between Holloway and Goehr are strong—pupil and teacher once, now colleagues in the music department of Cambridge *University where Goehr is professor*—but stylistically there are far fewer similarities. Indeed Holloway's highly personal fusion of idioms remains difficult to categorise; the setting of Wallace Stevens in *Sea-Surface Full of Clouds* and the violin *Romanza* (a Proms commission in 1978) demonstrate handily the *prodigality* and the complex variety of his music.

The *Romanza* is the less complicated, the lighter weight. It is in essence a lyrical effusion, a thorough exploration of the violin's ability to sing. The melody with which the soloist launches the work generates almost the whole work by variation; though the effect is of a seamless, flowing structure. It embraces four distinct movements that trace out a *kind* of concerto—an Allegro that grows from the opening violin solo, a scherzo and *trio*, an Adagio, a *final* Allegro.

Yet the movement types are interlaced in a way that defies traditional usage; Holloway's reworking of received form is a precise analogue to his attitude to past styles, in which Straussian succulence and neoclassical angularity rub shoulders without self-consciousness. The *Romanza* is Holloway at his most accessible and approachable.

*Sea-Surface* represents a necessarily complex solution to *setting* a complex poem. Stevens' poem plays with literary perspective and surface detail; each of its five cantos relates the same scene from a different viewpoint. Holloway employs a chorus and three soloists to create textures of great power and sensuousness; the inclusion of a counter tenor among the soloists provides a nicely aridulated tang to the vocal writing. The poem is punctuated by two orchestral interludes; the style is a heady amalgam of Debussyan translucence and *Viennese fervour.*

As soloists, chorus and orchestra are dovetailed with ever increasing excitement, the music approaches considerable intensity, so that it seems hardly surprising that after completing the work in 1975, Holloway was able to plunge straight back into the composition of his opera *Clarissa.*

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Singcircle's anthology on Hyperion comes under the title of "Mouth Music." The three works included are a fair cross-section of the music that Gregory Rose's group has encouraged, and the extended vocal techniques that they have explored. Emmerson's *Ophelia's Dream II* is the shortest, least intricate and least eventful, a dissolution of some lines from *Hamlet* into syllables and phonemes, demonstrating the progressive disintegration of the text from comprehensibility into apparently undifferentiated vocal *noise.* Neither Wishart's nor Smalley's piece makes use of such a text, but builds up substantial and sustained music from the slenderest means.

Denis Smalley's *Pneuma* seems to me to have considerable distinction. The five vocalists play an assortment of percussion instruments that colour and punctuate their utterances, and the works move from simple, primeval noises, through music of more continuous texture to a final sustained passage of vocal harmonics which inevitably recall Stockhausen *Stimmung.* Stockhausen used the technique so brilliantly, that more recent composers have found it difficult to avoid clichés. But in *Pneuma* the harmonics seem a natural outcome of this fastidiously organised work, with its climax unerringly placed.

Wishart's *Anticredos* defies such detailed description: it merely uses the sounds of its title for a series of explorations of vocal possibilities. The music is exuberant and rich in event; it must be great fun to perform. In all three pieces, indeed, Singcircle produce first-class *performances* in a crisply recorded acoustic.

## The Adventures of Jasper Ridley/Half Moon

**Martin Hoyle**

I'm sure neither about the age of this play's intended audience nor how old Nigel Williams was when he wrote it. Many established writers dredge up blush-making effusions from their bottom drawer, and Mr Williams may have struck lucky by passing off this lumpishly patronising piece as juvenile theatre. Unquestionably it is; but not perhaps *in the sense* he intended.

Jasper is a cheerful Cockney orphan who progresses, Candide-like, through the palliatives, cynical or well-meaning, offered to the young unemployed when launched as the symbol of a bureaucratically dreamt-up "*International* Year of the Unemployed Young Person." This has an all too authentic *ring* to it; and there are valid targets in the bland callousness or genuine myopia displayed by the *state* as it soothes or misleads the jobless.

But Mr Williams' satiric touch is leaden as he lays cumbersomely about him at every sitting duck, from middle-class sociologists to community policemen; from liberal prison governors to passably-impersonated royals brightly enunciating obscenities. Pam Brighton's production for Hull Truck, evincing the subtlety of a sledge-hammer in its use of such searingly topical weapons as Clara Butt singing "Land of hope and glory," ably seconds her author's penchant for thudding over-emphasis.

*Discovered by HRH in royal* wedding year, Jasper is promoted from the Islington children's home where his foul-mouthed spot-picking mates dream of cutting their first album to the heartiness of a mountain-climbing scheme in Lakeland. The level of wit is exemplified by the house-mother's verbal slips: she refers to Christ on the Mount of Gherkins and, in the excitement of peak-scaling, confuses cram*pons with tampons.*

Jasper's political mentor is a cynical and turgidly voluble *Glaswegian* (the excellent Billy McColl, to whom my sympathies). Beaten to death by skinheads, he returns as a ghost to dissuade our hero — as he is called on the synoptic banners unfurled before each scene —from leaping from Holborn Viaduct. The final scene flickers into articulate argument; but by then the evening is lost.

Simplistic politics and ham-fisted caricature leave little room for performances to shine; but John Fowler's decent and optimistic protagonist is likeable and touching, while Lynda Rooke scores as a middle-class do-gooder exasperated to the point of hysteria by being considered a joke. And Simon Swarbrick's fiddle interludes provide, I suspect, the most professional pleasures of the evening.

Alastair Muir

John Fowler and Billy McColl

## My One and Only/New York

**Frank Lipsius**

It is a long time since tap dancing was meant to convey human emotion on the Broadway stage. Tap dancing there has been, to give a dated feel to *42nd Street* or a night-club setting to *Sophisticated Ladies*, but both those shows had some theatrical conceit to make the steps just a form of vaudeville turn. In *My One and Only* at the St James, the tap dancing is supposed to show the love between aviator Captain Billy Buck Chandler (Tommy Tune) and swimmer Edith Herbert (Twiggy).

This *is* Tommy Tune who gave a sense of creativity and imagination to *Nine*, despite some incompleteness in the script and vague relevance of the songs. The same problems plague *My One and Only*, but Tommy Tune the director could not have had time to work out the details while Tommy Tune the performer was rehearsing. The show came to New York from its Boston tryout having been worked on by Mike Nichols, Michael Bennett *(A Chorus Line, Dream Girls)* and the original director. Peter Sellars, as well as Mr Tune in collaboration with Thommie Walsh (who get the Playbill credit for staging and choreography).

Sellars' original idea for Russian *constructivist* sets—large plywood shapes in primary colours—must have been one of the reasons he was fired, but they still dominate the play. They seem so arbitrary and at times inappropriate that they are usually curious, not stylish.

Worst of all, the Gershwin songs sound more like a medley than a score. They can be said to fit the storyline only because essentially there is no storyline. The scenes take place in 1927 when the aviator is on the threshold of stardom, which the swimmer has already achieved thanks to a cross-channel crawl.

The potpourri from the Gershwin catalogue does include classics like "Funny Face" (coyly given to the manager to sing without dance to Buck's assistant, an adorable Denny Dillon), "High Hat" and "Nice work if you can get it," but some second-tier selections sneak in too, with the patriotic number, "Strike up the Band," to make the crowd go out humming and forget their second thoughts.

Twiggy on Broadway

## The Tigers/Radio 3

**Andrew Clements**

The Havergal Brian crusade rolls on, and on Radio Three on Tuesday it achieved probably its greatest coup to date, with the broadcast of a studio recording of his first opera, *The Tigers.* Had Brian really been the greatest neglected genius of 20th century English music, I suspect that most of us would have got the message by now. As much of *The Tigers* demonstrates, he was a composer of undeniable individuality. Who else would have worked for three years in the middle of the *First World War* on a three-hour score, without hope or prospect of performance, and turned *out a work* that is little more than a series of comic burlesques, a gaudy pageant strung together *on* the thinnest dramatic thread?

Brian completed the opera in 1918 *and orchestrated it* over the following decade. Some orchestral excerpts were subsequently performed, but the *full* score was lost during the Second World War, and was only rediscovered by the Havergal Brian Society in 1977.

The "Tigers" of the title are a company *of* conscripts, *whose* escapades and those of their colonel make up the opera's plot. The scenario is oddly proportioned: there is a substantial prologue set in a fairground, which is unrelated to the main opera and the third act begins with a pair of equally irrelevant ballets.

Yet it is the purely orchestral music in the score that provides the most memorable moments—a fine prelude to the second scene of the prologue and the first ballet especially. The vocal writing *is* undistinguished, recalling costive Vaughan Williams. There is a cast of 44 and an *enormous* orchestra; extras include a live elephant. Sledgehammers crack dramatic nuts with numbing regularity. The orchestration is heavy and unremitting, with even popular *songs getting* the same bombastic treatment. And all these resources are squandered on *a* libretto of nebulous significance and less consequence. The opera ends with no sense of climax, for its technique permits no satisfying drawing together of the strands.

If the score can now be allowed to lapse back into the obscurity it deserves, at least it has had the benefit of a fine performance, conducted by Lionel Friend and produced by Elaine Padmore. The BBC Symphony Orchestra and Singers provided the foundation; the lengthy cast, led by Malcolm Donnelly's colonel, doubled in countless roles. But *such labours deserved* a far better end product.

# Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

April 29–May 5

## Exhibitions

### NEW YORK

**Metropolitan Museum of Art:** Those overwhelmed by the sheer volume of art at the Vatican will much *appreciate the* present loan of 230 choice pieces, including the Apollo Belvedere, Caravaggio's The Deposition and even modern pieces by Matisse in what the museum is calling its show of a decade. Ends June 12.

**Whitney Museum:** Films and videotapes by 30 artists highlight the 62nd Biennial for American artists, including Frank Stella and Jasper Johns among the 76 artists represented by 124 works. Ends May 22.

### CHICAGO

**Museum of Contemporary Art:** To complement the museum's self-appointed task of documenting American unschooled naif painters comes an exhibit of 47 unschooled German painters of the 20th century, among them Adalbert Trillhaase, the Bible-painting clerk who inspired Düsseldorf realists early this century. Ends May 22.

### ITALY

**Venice, Museo Correr:** Eighteenth century engraving. Ends June 5.

### VIENNA

**Hermes Villa, Lainzer Tiergarten:** Heinrich von Ferstel – buildings and projects for Vienna to commemorate the centenary of the birth of the architect whose projects, realised and unrealised revolutionised the architecture of his time. The architects of the Votivkirche in Vienna is renowned not only for his "modern" designs but also for his use of *new techniques.* His steel constructions, often with a variety of costly stone, marble and bronze and his imaginative cafes, restaurants and private villas remain as witness to his rich talents.

### BRUSSELS

**Royal Palace of Laken's Greenhouses.** Annual opening of *the royal plant* collections. Friday and Saturday evening visits are floodlit. Ends May 15.

**Palais des Beaux Arts:** Venetian drawing of the 18th century. Tiepolo, Piazzetta, Piranesi, Guardi, Canaletto.

**Societe Generale de Banque:** 100 years of glass in Europe. Ends May 20.

**Kredietbank:** Young artists of Flanders.

**Musee du Costume et de la Dentelle:** From Worth to Chanel.

*Theatre National (from 8pm to 11pm):* British posters 1890–1980.

### PARIS

**Claude Gellée or Le Lorrain** (1600-1682), as his name indicates, was born in Lorraine but spent his creative years in Rome. He was a painter of luminous landscapes and a poet of the sea. He influenced Turner and Monet and was admired by Goethe and Keats. His love of nature charmed the English, yet his compatriots failed to appreciate him fully. Thus many of the oils, drawings and engravings in this exhibition, significantly organised on the initiative of the National Gallery of Washington, will be seen for the first time in France. Grand Palais. Closed Tue. Ends May 16 (2603926)

**Claude Monet:** Homage is paid to his Giverny period with 45 of his paintings, including the nympheas, at the *Centre Culturel du Marais,* 28 Rue des Francs-Bourgeois (2773225). Closed Tue. Ends July 17th.

**Edouard Manet:** An exceptional retrospective marks the 100th anniversary of the artist's death including Olympia, the Bar at the Folies Bergeres, Nana and Dejeuner sur l'Herbe. Paintings, which at the *time* created such a *scandal*, are now seen as classics in the tradition of Franz Hals and Velasquez, whom Manet revered. Yet at the same time they are a homage to one of the first impressionists and a pioneer of modern art. Grand Palais, April 16 – August 1, closed Tue. Late night Wed till 10pm (2615410).

### WEST GERMANY

**Cologne,** Rautenstrauch-Joest Museum: The only German venue of an exhibition featuring 2,000 Mexican wooden dance and death masks. Also Pre-Columbian objects on loan from the Instituto Nacional de Antropologia e Historia in Mexico City. Ends May 15.

**Hanover,** Kestner Gesellschaft, 16 Warmbüchenstrasse: The complete graphic work of Oskar Kokoschka, the Austrian expressionist, carefully guarded against daylight so as not to damage the delicate water colours and drawings. Ends May 15.

**Cologne,** Kunsthalle, 1 Josef Haubrich Hof: Georges Rouault – 260 paintings, water colours, gouaches and graphics. Ends May 8.

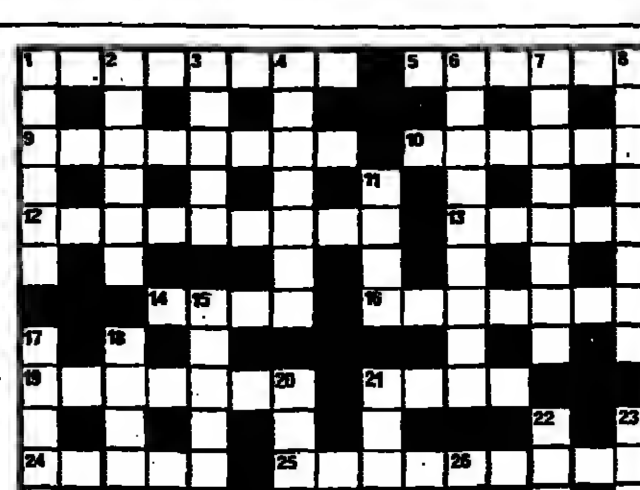
**Cologne,** Wallraf-Richartz-Museum, An der Rechtsschule: Irish art of three thousand years comprises virtually all Irish *national treasures on* loan from the Irish National Museum, Trinity College, Dublin, and Irish *Academy of Sciences.* Manuscripts, relics of Irish Saints and utensils from the workshop of Irish monasteries; silverware; and gold and silver jewellery. Ends June 2.

**Mainz,** Mittelrheinisches Landesmuseum, 49 Grosse Bleiche: *In honour* of the year's 500th anniversary of Martin Luther's birth, the museum is showing original drafts, documents, models and photographs recording the conception and realization of a number of public memorials to the great reformer in the 19th century. Closes at the end of May.

**Düsseldorf,** Kunsthalle, 4 Grabbeplatz 7: Contemporary East German art comprising 200 paintings and drawings by 13 artists allows a comparison with the artistic scene in the Federal Republic. Ends May 8.

**Bielefeld,** Kulturhistorisches Museum, 61, Welle: Graphics, Coal drawings and sculptures by Otto Pankok, the German artist banned under the Nazi regime. Ends May 23.

## F.T. CROSSWORD PUZZLE No. 5,163



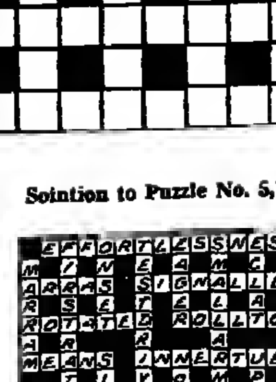
**ACROSS**

1 Good looks? (8)
5 But his faith is firm (6)
9 People may have to put up with her (8)
10 Edible seed for vegetable and fruit (6)
12 Skill returns with tennis perhaps, but doesn't last long (9)
13 Salesman the *Spanish rebuff* (5)
14 Worn tiles (4)
16 *He's best about giving orders* (7)
19 Leave a musical group and have no come-back (7)
21 Laws the expert may break (4)
24 Only order northern fabric (5)
25 Fish gone astray in the fisherman's basket (6, 3)
27 New boat about to leave for S. America capital (6)
28 Possibly greets an N.C.O. (8)
29 Undiscovered talent developed (6)
30 A desert's transformation vindicated (8)

**DOWN**

1 Show rank subservience? (6)
2 Book of the year (6)
3 Shouts out names (5)
4 Descriptive of an eternity ring? (7)
6 Turned up in shocking condition? (9)
7 Support for the Royal Mail? (8)
8 *Hustlers may be devoid of* compassion (8)
11 What's left behind when *objections are raised?* (4)
15 Ex-prime minister is putting on weight (9)
17 He gets fed up with people (8)
18 Neon? (3-5)
20 Cut a prison term (4)
21 Reckons wrongly it's a child's game (7)
22 The know-all gets Dan in a temper (6)
23 Armoured glass covers a number (6)
26 It keeps a sharp eye on German and American arms (5)

Solution to Puzzle No. 5,162



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BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Thursday May 5 1983

# The new offer from Andropov

MR YURI ANDROPOV'S latest proposals for the Soviet-U.S. Euro-missilo negotiations in Geneva are certainly interesting, and it is just possible that they may also be encouraging. But if they do prove encouraging, in tho sense that they load to some progress when the negotiations resume shortly, then thoy may call for more explicit statements from tho British and Freneh governments on the contributions that they would be prepared to make to the process of controlling nuclear weapons.

While tho Andropov proposals look like a step in the right direction, end hove been welcomed as such both in Washington and in London, it is not ebsolutely clear thet they are less one-sided than previous Russian positions, or that they aro more than enother public relations gimmick.

Nevertheless, though fundamental douhts remain ovor the Soviet Union's real intentions in the INF talks, on the faco of it it is encouraging that Mr Andropov is now apparently prepared to negotiate on the basis of missile warheeds rather than on that of missile leunchers.

This is directly relevant to *the INF talks*, since the planned Nato Cruise and Pershing II missiles ere single-warhead weapons, whereas tho Soviet SS 20s heve three warheads each. By implication, it should also be indirectly relevant to the parallel Strategic Arms Reduction Talks (Start), in which the opening U.S. position is primerily based on a substantiel reduction ln the numbers of warheads on each side.

### Dilemma

The dilemma posed by land-hased multi-warboad weapons is that, while they seem a cost-effective way of aiming at numerous enemy targets, they also present a temptingly small number of targets for enemy missiles to aim at. For this reason, they may risk destahilising the nuclear balance. The recent Snowcroft Commission in the U.S. recommended that Washington should move from multi-warhead to single-warhead missiles, and should revise its Start proposals for reductions ln the number of missiles.

If, therefore, tho Soviet Union is now ready to adopt warheads as the primary counting unit in arms control negotiations, it may be reflecting a healthy concern for the primary importance of nuclear stability, in parallel with the arguments of the Scowcroft Commission.

Moreover, Mr Andropov's latest proposals seem to imply movement in the Soviet position towards a bigger reduction in the number of SS20s. At an earlier stage, the Soviet Union hed offered to limit its SS20s to a level equal to the number of British and French misslies, many of which have only one warhead. An equal number of warheads ought, therefore, to mean e smaller number of SS20 missiles.

As it stands, however, this proposal must still he unacceptable to the West for two reasons. First, because it would mean that the Soviet Union would retain a significant number of SS20s, whereas the U.S. would be askod to forgo any matching deployment of its new missiles. Second, because Britain and France bave consistently refused to allaw their nuclear systems to be hartered in the hilatoral negotiations between the two superpowers.

### Logic

There are sound reasons why the British and French systems should not be counted in the INF talks. As last-ditch deterrent woapons, they have an entirely different function from tho intormediate-range weapons whoso purpose is to ect as a link with tho long-rango strategic systems in the U.S. (and the Soviet Union). Moreover, the INF talks are essentially concerned with land-based missiles, whereas most of the British and French weapons are submarine-based.

*Nevertheless, it is not* et *all* clear that Britain and France can or sbould stand aside from the nuclear arms control process, simply by refusing to allow their systems to be counted in tho INF talks. The logic of this refusal implies that they should be prepared to make some contribution instead to the Stretegic Arms Reduction Talks.

In these talks, both superpowers are talking about significant reductions in their arsenals. In the past, the UK has indicated vaguely that it would reconsider its position if there were a substantial reduction in the Soviet threat. Yet on present plans, France will launch a sixth missile submarine in two years' time, and Britain will move et the end of the decade from Polaris to Trident missiles, which can carry four times as many warheads.

Just what contribution Britain and France could make is dehatable. There is no chance of an agreement which entitled the Soviet Union to as many nuclear weapons as all three Nato allies combined. On the other hand, it seems distinctly unconstructive for the two second-rank powers to be planning for substantial proliferation et a time when the superpowers are talking about reductions, and it would be intolerable if Britain and France could he depicted as major obstacles to a Soviet-U.S. agreement. The time is coming, if it has not yet come, for the two European powers to be more forthcoming on their potential contribution to nuclear arms control; in Britain's case, this must includo a reconsideration of the Trident decision.

# Sotheby's and the public interest

*IS THE future* ownership of fine ert auctioneers Sothoby Perke Bernet a matter of public interest in Britein—or simply e metter of interested concern to the British esteblishment? The decision by the Trade Secretery, Lord Cockfiold, to refer the bid by the American company GFI/Knoll Internetionel for Sothehy's to the Monopolies and Mergers Commission raises the question in a particularly pungent way.

This is the second time in recent months that Lord Cockfiold heo chosen to ignore the recommendation of tho Director General of Fair Trading aod in doing so ho has attracted attention once again to the undesirable degree of ministerial discretion in this erea, together *with the vacuousness* of the "public interest" criterion laid down in the 1973 Fair Trading Act, when competition is not at issue.

The Department of Trade says that the decision to refer the bid for Sotheby's took into account tho importance of London as tho centre of the international art market and Sothoby's role in the markot. There were apparently fears that more euctions might take place overseas if the company passed into *foreign ownership*.

At the same time Sotheby's directors have suggested thot the two American businessmen behind GFI/Knoll, Mr Marsball Cogan and Mr Stophon Swid, would be stretching themselves financially in making the ecquisition. They also question their fitness to run the auctioneering husiness given that Mr Cogan had a brush with the U.S. Securities and Exchange Commission in the eerly 1970s which resulted in a suspension order, still outstanding, in relation to the management of discretionary accounts in the securities business. Neither of the two men had experience of auctonoering.

### Xenophobic

However, it takes some imaginative effort to build up the London art market into a husiness of strategic national importance. Tho art market bas long been thoroughly internationel; and since Sothoby's under British ownership has taken itself to wherevor in the globe business is to be found, the xenophobic fears appear misplaced. Nor are they in keeping with the Governmont's generally liberal philosophy on inward and nutward investment.

Under e Tory Government with a predilection for markot-based solutions to economic problems it would seem natural for a Trade Minister to regard the efficiency with which Sotheby's runs its business as e matter to be decided in the market place. Thore is much to be sald for leaving it to the shareholders to sort out the relative merits ot the two managemonts for themselves. If the Government is concerned about the fitness of people who hrush with regulatory authorities in other countries to run British companies, let thore be clear and well-publicised rules. As it is, the art market has never been a haven of unimpeachable decorum in business practice.

What is not desirablo is for the Secretery of State for Trade to refer bids on the basis of nebulous and arbitrary criteria and to do the Director General of Fair Trading out of a job by paying more attention to active lobbying on behalf of vested interests in companies that are down on their luck. Explicit guidelines should be an urgent priority.

## SIR PETER CAREY LOOKS BACK

# 'The cult of the gifted amateur'

**By John Elliott, Industrial Editor**

A MAGGIE THATCHER jack-in-the-box toy sits on the desk in his large office, along with official souvenirs from the aircraft and engineering industries.

The toy gives a hint that Sir Peter Carey, until last Friday the permanent secretary of Britain's Department of Industry, is not just a bland, pragmatic, well-behaved mandarin, but a smooth operator who knows exactly how to balance his private views and his public persona.

An enigma to many outsiders — and to some colleagues *as* well — Sir Peter retired last week amid a wave of tributes which included 270 industrialists turning up to his farewell parties. Yesterday he visited Buckingham Palace for e *permanent secretary's* traditional retirement interview with tho Queen.

For many people be will remain something of a mystery because of the way he has appeared to survive with equanimity tho sharp swings nf industrial policy over the past decade, almost but not quite falling out publicly with Mr Tony Benn wben be was Industry Secretary, and tolerating with perhaps a little more enthusiasm the equally extreme views of *Sir Keith Joseph* who arrived a few years later.

His own views have rarely seemed to intrude on his suave leadership of tho Department, although he bas occasionally surprised audiences by, for *example*, hitting ont at industrialists who hava wanted to rely more on Government policies than on their own efforts.

Yet on the occasion of his retirement he has hroken cover on some issues and in particular has turned on the Whitehall machine, and the Treasury especially, for failing to respond to the long-term needs of industry.

In the first wide-ranging interview he has given on the record for ten years, he also:

- Admitted that governments' relations with nationalised industries are "less than perfect," and that poor salary levels deter good candidates for the chairmanships.
- Deplored "over-frequent" changes of *ownership in* state-owned industries which divert management effort.
- Regretted "lame duck" rescues of Chrysler and Alfred Herbert, been ambivalent about BL, but said rescues of Ferranti and ICL were well worthwhile.
- Criticised some results of French industrial policy and suggested that Japanese industrial planning could not be imported intn the UK.
- Praised Government "think tanks" which "stir things up" and "stop the bland leading the bland" in Whitehall. And,
- Admitted thet he and his fellow civil servants have "not managed the service as we should have done."

Asked to pick one thing he would like to change in the past decade during which he bas "so to speak presided over ten years of unprecedented industrial decline in Britain," ha says: "The one thing I regret and would wish to have different is that I had been able to persuade my colleagues more than I have about the problems of the wealth-producing sector and tho need for *policies to optimise* and support the performance of that sector."

In particular he criticises the Treasury for e "very deep ethos" which prevents it from adequately understanding *industry and the harmful* long-term effects of policies. He blames Treasury civil servants, especially at lower levels, rather than politicians. The answer is gradually to change people's attitudes because, he says, he does not believe mnch would be achieved by changing the structure of Government.

He can see advantages for industry in merging some parts of the Department of Trade with Industry because the "prodoction and selling both of manufactured good and services hang together." The Prime Minister "has not gone for machinery of Government changes" but a merger "could well be on the cards."

Sir Peter characteristically hedges his remarks. But he returns constantly to the theme, illustrating a sida to his character which emerged when I asked whether ha was an "aggressive non-smoker." (He was responsible for negotiating tha cigarette packet health warning with the tobacco industry in the 1960s.)

"I am not an aggressive person ot all, persistent perhaps sometimes, bnt not aggressive." To a suggestion that be may be "bland rather than aggressive," he says: 'I'm not a great admirer of blandness." Smooth then?—"I may appear smooth. I have a degree of equanimity *with which I approach problems*, born of long experience of crises which need to be seen in perspective . . . so I am a fairly calm person."

That long experience ranges —after Partsmouth Grammar *School and Oxford*—from being a young army officer and junior Embassy press officer in Yugoslavia at the end of the war to coping with industrial and political crises such as Ferranti, ICL, BL, British Steel and the National Enterprise Board during the past 10 years, initially as second permanent secretary in the old Department of Trade and Industry and then as sole permanent secretary of the Department of Industry from 1976.

He believes the British civil service has "great strengths" and should not be politicised. "But it is *fair* to say we have not managed ourselves as professionally as we should have done. We have been slow to make ourselves sufficiently professional, probably because of the cult of the *gifted* amateur, among whom I would class myself at least as far as the amateurishness is concerned. I am a fairly traditional type of civil servant from the earlier period reading greats at Oxford and so-on."

In the past couple of years he has had to cope with a fairly critical report from Touche Ross on the way the Department was *being run, Rayner* cost-cutting exercises and with e Secretary of State—Mr Patrick Jenkin—who is determined to make his own mark by gingering up the departmental *management*. Sir Peter says that civil service management has become more professional and admits: "We might have done that earlier, with profit."

He believes that profession*alism and efficiency* will be increased by more people switching mid-career into and out of the civil service.

His personal style of management is much admired by his subordinates. "He's a great dele*gator—we'll miss him*," one young civil servant told me in the Department lift last week. Another older colleague explained: "He gets the halance absolutely right. There's never any doubt about who's in charge. He's there for advice and steps in when needed."

Some of his staff, however, feel he has not communicated adequately within the Department and he has sometimes seemed a remote puppet-master to outsiders.

He regards choosing people for top posts as "ane of the most important and difficult jobs I have had." Throughout his career he has built up a hnge circle of industrial contacts at home and ahroad and is particularly proud, for example, that he has tempted both Mr Ian MacGregor and Mr Graham Day from North America to go respectively into British Steel and British Shipbuilders. He admits his success and failure rate in finding chairmen has nnly been "half and half" bnt declines to enlarge.

Sir Peter's emphasis on finding top people for state industries links with his primary aim of "leaving industry with the impression that, whatever Government is in power, they have here people to whom they can talk freely and in confidence, that their views will be understood and their problems put in context and this industrial dimension represented in Government."

He himself has, however, made *few* efforts to develop contacts with trade unions (which on reflection he regrets). This has helped to make *them* suspicious of his regime.

To be a senior civil servant "does not mean you have to become something of a eunuch in the process," says Sir Peter. But he cautiously admits to two *main beliefs and sympathies*: the need to "cultivate the wealth-producing sector" and the primacy of market forces which Governments can "nudge but not indefinitely arrest."

But, he adds that it is "dangerous for a civil servant to be too idealistic because he does have to serve Governments of different persuasions." He agrees, when it is put to him, that it is fair to say that the key word to explain his whole life in the civil service is "pragmatism."

That pragmatism was put to its severest test early in Sir Peter's decade at the top of the Industry Department when he clashed both privately and semi-publicly with Mr Tony Benn, who was Industry Secretary from 1974-76, so souring for ever his reputation with the Labour Party and especially its left wing. The main clash was over Mr Benn's financial support for workers' co-operatives at Meriden and Kirkby with which Sir Peter vehemently disagreed.

Accordingly, in his rola at Departmental accounting officer to *Parliament*, he filed *notes of* dissent which were subsequently leaked. (Judging by the vehemence with which he now refutes any suggestion that the de Lorean car project in Ulster was picked by his Department, he probably issued several other notes of dissent during his career.)

Ho sounds defensive discussing the Benn era, and when asked why retorts: "Because I have been attacked on this issue." The most sensitive attack *was that he did not* serve Mr Benn properly on the co-ops, planning agreements and other issues. He stresses, choosing his words carefully, that "while Mr Benn may have been unhappy that we could not achieve more, I would entirely rebut any suggestion that this was because we did not try hard enough as officials."

Although he would not be explicit, it is also clear that Sir Peter found it easier to accept —and harder to attack—the *extremes of Sir Keith Joseph* as Industry Secretary. Industrialists broadly favour a Conservative Government and oppose e Bennite industrial policy.

He is ambivalent about the virtues of government intervention in industry and about the impact of the Industrial Reorganisation Corporation of the late-1960s. He also seems, somewhat conveniently, to approve the limited role now being planned by Ministers for the NEB and its parent, the British Technology Group.

He has no general enthusiasm for baling out lame ducks and stresses that the conventional alternative of receivership can "often be a very useful route to renaissance."

His answers on such issues are always carefully modulated, as one would expect of an experienced Whitehall operator. Bnt there is often bite in the remarks. He is clearly impatient with Whitehall, and talks with glee about how he helped in the early-1970s to set np the Central Policy Review Staff—the Downing Street "think tank."

"One needs something, as a colleague once put it, to prevent the oversmooth running of the official machine. The Treasury has been shown as an example of the bland leading the bland. There is a lot of inertia and someone must be there stirring it up."

But surely he had recently objected to some of the CPRS ideas on reforming relations with nationalised industries? "I thought they were a little starry eyed, just as I was probably a little starry eyed when I was in the CPRS. But it is right to push out the frontiers of thought a bit. Departments and permanent secretaries then have to be very realistic and pragmatic in dealing with the recommendations."

## NATIONALISED INDUSTRIES

**RELATIONS between the industries and Government are "less than perfect," partly because of an "underlying ambivalence on the part of governments."**

**Both civil servants and politicians tend to want to interfere too much. "Civil servants are naturally very conscientous: given a job to do they tend to dn it wholeheartedly and they may therefore bear down on nationalised industry chairmen and boards a little more severely than is justified." Frequent changes in ownership also diverted management attention from important commercial issues.**

**The key to better relationships is "finding the right persan to do the chairman's job" and paying *him* on the same basis as the private sector. High salaries related to performance are "cheap at the price" when compared with the scale of issues involved. "I don't therefore regard as very meaningful arguments about Mr Ian MacGregor's salary at British Steel.**

***"But we have been inhibited in the past from appointing the most suitable person to do a job by reason of the conditions we could offer. That has meant that we have accepted people who were willing to serve and do the job far less. So you're expecting something for nothing.***

***"If you are getting someone to come in out of a sense of national loyalty you do not get a relationship on a strictly commercial basis and you need such a relationship when you are running big commercial organisations . . . You pay for what you get and you get what you pay for."***

## MARKET INTERVENTION

**"THE GOVERNMENT can never be a surrogate for the market and it is an illusion that most intelligent civil servants believe they know best." He knows that some of his colleagues think the Government can and should do more but retorts:**

**"I do not agree with them. My experience over 35 years has shown me that sitting in Whitehall, not being subjected to the *strains of the market place, I do not know* what is best for particular firms.**

**"What I can do of course is to collect a lot of information about particular firms, the best judgments of the individuals themselves who are operating companies and are in the market place, and then make a judg*ment* about what has to be done. But I don't claim to know best and this means that we are not in a position here to pick winners of the future. We have often been accused of doing this.**

**"But what I think we can do, by looking at the market place of the future (with the help of a long-term steering group I have set np here) is to identify technologies which are going to be of great importance. Thus we are giving support in this administration to technologies such as information technology, bio technology, fibre optics and robotics.**

**"To extrapolate from there and say you are going to intervene with *industrial* companies is quite another matter.**

**"The aim is to apply a spur ta industry to perform better" and to "erect a framework which encourages and supports good management and points directions."**

# Men & Matters

## Moorgate drama

The charge that accountants are boring has been laid to rest. Real life dramas havme been taking place in the last few months behind the normally sedate portals of Moorgata Place, beadqnarters of the English Institute of Chartered Accountants.

Following tha appointment of former civil servant John Warne as secretary the number of people reporting to him has been slashed from 20 to seven, and the shape and style of the executive has been changed radically.

Now, *in tha best traditions* of hutiers, fcotball managers, and disaffected political functionaries, one of the casualties of the shake-up has decided to tell all.

Instead of heading for Fleet Street with his story, however, the aptly named Martin Grass, wbo left the institute last month, has chosen the staid columns of The Accounting Bulletin for a decidedly racy account of lifa at the institute.

Grass, wha used to handle the institutes information service, believes the institute functianed smoothly for many decades in the old farm. He warns "Anyone wbo tampers with this well-proven system of management, in which tha secretariat plays a crucial role, sets off a slow-fuse time-bomb which will leava the building—but very little else—intact."

The Bulletin calls its scoop "Mcorgate Place—the inside story" and gives plenty of space to it. But it restricts comment to a cautious "While some leading eccountants view the reshuffle as desirabla and long overdne, others fear that it bodes ill for the future effectiveness of tho Institute and its membership."

*To which Warne replies*, "Yes there has been a major reorganisation. But the only real casualty has been Grass himself."

"This is your captain speaking—I will also be serving the drinks as part of our continued drive for increased profit."

## Bank squeeze

Nasty letters from banks asking for the return of your cheqne card usually only arrive when your overdraft gets out of hand.

But unfortunato customers at the Banque du Rhone et de la Tamise are *suffering* tho ignominy of having their accounts compulsorily closed for the simple misdemeanour of not using them eoough.

The London office of the Banque—which is owned by Lloyds brokers Alexander and Alexander—was the first in Britain to offer interest payments on current accounts some ten years ago.

Now it has about 1,000 account halders—but wants to rednce their numbers to about 800. "It is silly of us to try and compete with the clearing banks because we're so much smaller" says Michoel Stone, manager of the banking side. "It makes sense to try and decrease *our retail involvement*."

The unlucky customers who make littlo use of their current accounts have been sent letters asking for the return of their cheqne books and cards hy the end of the month.

## Steel links

Ian MacGregor, who becomes chairman of the National Coal Board in September, is making full use of his U.S. contacts to establish an assured U.S. market for substantial tonnages of British steel whilo he remains at the helm at British Steel Corporation.

Now it looks as if a personal touch may have crept into the *proposed deal between* British Steel and United States Steel for the latter to process semi-finished steel from the former's Ravenscraig works in Scotland.

Tom Graham, aged 56, president of the third-biggest U.S. steel company, Jones and Laughlin, is moving offices a few hundred yards up the street in the steel city Pittsburgh, to take over as chief operating afficer and vice-chairman at U.S. Steel, the number one.

It was at Jones and Laughlin, steel industry watchers will recall, that MacGregor learned all about the "Pittsburgh prescription" as he calls it for getting more steel out of fewer men.

MacGregor was a directar of *J and L* between 1973 and 1980 and he is a good friend of Graham.

In terms of Pittsburgh and American steel industry politics Graham's move has raised e few eyebrows. He is well-known as a fiery critic of the American steel establishment (for which read U.S. Steel) and the way it has, over the years handled the vexed question of dumped foreign steel.

Graham has been, and remains, e staunch advocate of fixed quotas on foreign steel which is sold in the U.S.

Who knows . . . now that he is inside the biggest steel palace in Pittsburgh his views may carry greater weight and MacGregor's pitch for an assured stake for BSC in the U.S. market may be nearer realisation?

## Money talks

Irish bankers have clubbed together to endow a chair in banking and finance at University College, Dublin. Rathor late in the day some of them are wondering whether their support of the faculty need incindo its first professor.

The post's incumbent, Dr Michael Walsh, has delivered some uncomfortable home truths during his inaugural lecture tn an andience inclnding most of the country's top bankers.

Dalsh argued that there is e need fnr a fundamental examination of the Irish financial community, and its role in industrial development.

He also tried to domolish a few old chestnuts about shortages of venture capital in Ireland.

But perhaps most painful to the listening bankers was Walsh's observation that the wbolo idea of his brand-new faculty will be a hit of a waste of time unless the Irish banks alter their age-limit for recruitment above the present ceiling of 21 years.

That rule, of course, effectively bars from an Irish banking career the graduates of his new banking faculty.

***Observer***

ECONOMIC VIEWPOINT

# Still no international strategy

By Samuel Brittan

THE CHANCELLOR of the Exchequer, Sir Geoffrey Howe, has occasionally hinted at the need for a world medium-term financial strategy, akin to the one he has promulgated (but not sufficiently defined) for the UK. It must, however, be said that the very little of what he has proclaimed in recent speeches, papers and briefings in advance of the Williamsburg Summit, amounts to a truly international strategy. It is more like the parallel pursuit of virtue, by the seven summit countries, which is a rather different proposition.

A partial exception to this is tha tactics being adopted for dealing with developing countries' debt problems. Here a common approach has emerged among the main creditor countries.

Also, there is general agreement that the success of the rescheduling programmes depends on the resumption of growth among the developed countries. Indeed, it has become almost a cliche to say this.

When, however, we come to the economic policies of the seven countries to be represented at the Williamsburg summit, we find merely a collection of national policies. Sir Geoffrey Howe has frequently stressed that his opposite numbers should concentrate on reducing inflation; that the means should be a steady reduction in monetary growth and in structural budget deficits.

"Structural deficits" are those which are not just due to the recession but are likely to remain even with economic recovery. Sir Geoffrey has, however, tended to ignore the word "structural" in his own backyard and has concentrated on reducing tha budget deficit regardless.

The British Chancellor's approach puts verbal stress on exchange rate stability and a better alignment of exchange rates (which are not the same thing). But, apart from conceding the role of central bank intervention in extreme cases of short-term instability—an issue not worth all the ink that has been spilled on it — his main suggestion is that convergence of policies designed to reduce inflation will also reduce exchange rate divergencies, and reduce interest rates.

### NOMINAL GNP GROWTH IN INDUSTRIAL WORLD

(Annual percentage growth)

| | 'Pre-shock' 1968-73 | | | Oil Shock 1979-81 | | | New Recession 1982 | | | Recovery? 1983† | | | Recovery? 1984 First half‡ | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | GNP | Prices | Output | GNP | Prices | Output | GNP | Prices | Output | GNP | Prices | Output | GNP | Prices | Output |
| U.S. | 8½ | 5½ | 3½ | 10 | 9½ | 0¾ | 4 | 6 | −2 | 7 | 4½ | 2½ | 9 | 5 | 4 |
| Japan | 16¼ | 7½ | 9 | 6½ | 3 | 3½ | 5 | 2 | 2½ | 5 | 3 | 2 | 7 | 3 | 4 |
| Germany | 11½ | 6½ | 5 | 5 | 4¼ | 0¾ | 3 | 4½ | −1 | 5 | 3 | 2 | 5 | 3 | 2 |
| UK | 11 | 8 | 3 | 13½ | 15½ | −2 | 8 | 8½ | 0½ | 8 | 6 | 2 | 7 | 5 | 2 |
| Total of main seven* OECD countries | 11 | 6 | 5 | 10 | 9 | 1 | 6½ | 7 | −0½ | 7 | 4½ | 2½ | 8½ | 5 | 3½ |

* Above four plus France, Italy and Canada. † Estimate. ‡ Forecast.

NB Because of rounding and additions of percentages GNP growth is only approximately equal to price plus output change.

Source: OECD estimates updated by Financial Times.

It would be nearer the truth to admit that countries can perfectly well get along with each other with different inflation rates, provided that these are stable and predictable. For instance, Germany and France could co-exist with 4 and 8 per cent inflation respectively up to the 21st century. It is sudden changes in actual or expected inflation rates which are disturbing.

There is nothing inherently wrong in saying that each country should concentrate on putting its own house in order. There is nothing either virtuous nr discreditable in either "national" or "international" policies. The unit of government can be the UN or a parish council, depending on tha purpose in hand.

The case for an international strategy is the empirical one that countries' growth rates impinge heavily on each other and that the international capital market serves to link the the main national economies in a single whole.

An international strategy must mean that the authorities of different countries co-operate to achieve something they could not achieve alone (as in the debt case); or that one country does something it would not otherwise do in return for certain behaviour from another. At the very least it means that countries will undertake to adjust their national policies in tha light of some recognised international indicator such as the exchanga rate.

It was on the issue of the management of world demand that there was a clash between the Chancellor's and the CBI's papers at yesterday's meeting of the National Economic Development Council. A CBI working party concluded that the rate of real growth, foreseen in the OECD area in the years ahead, averaging 2 to 3 per cent "would be insufficient to bring unemployment down or even perhaps tn prevent it rising further."

It argued for "more expansionary or at least less restrictive policies in at least some OECD countries." The CBI had tha courage to quantify what it was getting at by suggesting an objective somewhere between the 5 per cent growth achieved by the industrial world in the years np to 1973 and the 2 to 3 per cent now in prospect. Splitting the differences gives 3½ to 4 per cent.

The Chancellor's paper would have none of this. It claimed that if countries "which have been relatively successful in reducing their rates of inflation" tried to "help others by expanding their domestic demand in a co-ordinated way," that course would simply re-ignite infistion. The one way in which the Chancellor could foresee policy contributing to a sustainable growth of real demand and output was by making more headway against inflation and budget deficits, and thereby bringing down interest rates.

Very little of what Sir Geoffrey Howe has proclaimed in recent speeches ahead of the Williamsburg summit amounts to a truly international strategy

Yet a reconciliation is possible between the CBI and the Chancellor—or at least their advisers, because Top People talk in excessive generalities. The trouble with the CBI's request for "expansion" is that it ignores the risk that governments will come to grief if they attempt to achieve targets for real output and employment by injecting money into the economy. This was the essential point made by the counter-revolution against post-war Keynesian policies. To ignore it is to repeat the mistakes of the notorious "locomotive" and "convoy" theories so fashionable at one time. It is not e sufficient safeguard to make the growth targets moderate. The targets of the early 1970s also seemed moderate by the standards of the time. Yet they ended in an inflationary explosion.

The Chancellor's mistake, on the other hand, is to confuse intermediate objectives, such as public sector deficits or the rate of monetary growth, with final aims. For instance, just as there is an overwhelming case for reducing the U.S. budget deficit, there is a strong case for Japan increasing its budget deficit, so that it can raise interest rates to help correct the undervaluation of the yen. But such combinations are out of the question if a low budget deficit is mada an article of faith.

The bridge between the Chancellor and the CBI would be a worldwide objective for the growth of national income and output in the Seven summit countries *in money terms.* This would recognise that the division of any increase in nominal demand between real growth and inflation cannot be determined by governments alone; and by sticking to a nominal objective it would be made clear that governments would not finance any renewed inflationary take-off.

The point can be illustrated from the OECD forecasts at the turn of last year. These indicated 7 per cent growth for 1983 in the national incomes (measured by money GDP) of the summit countries. It was expected that this would be made up of 4½ per cent inflation and 2½ per cent real growth. It hoped that in the first half of 1984 the combined national income would rise by 8½ per cent a year, with most of the increase taking the form of real growth.

Why not then aim at an 8½ to 9 per cent average annual growth of nominal demand and income for the summit countries combined from now on? This would enable the CBI's output objectives to be reached if inflation stayed at 5 per cent, or exceeded if it fell even lower. On the other hand, it would lead to an automatic tightening of the real policy stance if inflation threatened to accelerate.

A truly international strategy would also have to say something about the means by which the national income objectives might be achieved. The Chancellor's NEDC Paper stressed the importance to the world of the U.S. reducing its budget deficit. There is a danger that all the talk of national surveillance and closer concertation will simply be code words for pressure by other countries on the U.S. to reduce its deficit. The only way to avoid this is to formulate a more general doctrine about the fiscal monetary mix appropriate to countries in varying circumstances.

An international strategy should also mean that countries should be prepared to modify their monetary policies in the light of exchange rate behaviour. This was half conceded by the communique of the Seven Finance Ministers in Washington last Friday, which said that exchange rates were "one possible indication of the need for policy adjustment." But this needs to go further.

It takes no international agreement for the Fed to relax its policies when the dollar seems to be too high; or for the Bundesbank to tighten up when the mark appears to he low. But it does take agreement if both countries are expected to make a contribution to achieving a shift in the mark-dollar rate; and it needs agreement on the state of the world economy to decide whether the main emphasis should be on the Fed relaxing or Germany tightening np.

There is a case for independent national strategies (whether or not reinforced by mutual comparison and inspection) and a case for a concerted international approach. But there is littla to ba said for confusing the two.

## Lombard

# The illusion of U.S. power

By Ian Davidson

ONE OF THE difficulties facing the American super-power is that many people abroad, and even more at home, tend to assume that it must be capable of taking effective action to influence events around the world. This assumption is especially strong where successive administrations have publicly identified America's national interest with affairs in country A or B. But sometimes it can lead to the most frightful trouble, first and foremost for the U.S. itself.

President Nixon was burdened with this assumption for many years in Vietnam. President Reagan suffers from a similar affliction in the case of Central America. President Carter was under equal pressure in the case of the Iranian revolution and the fall of the Shah.

But what is striking about Zbigniew Brzezinski's account of his four-year stint as National Security Adviser, is that President Carter's closest counsellor on foreign policy steadfastly believed, and continues to argue, that the U.S. ought to have been able to "do something" about the disintegration of the Shah's régime.

The assumption that power *must* be translatable into effective action is not just pap for the ruck of the American electorate; it can also be firmly held and forcibly expounded, even by a man as intelligent and well-read as Brzezinski, in the inner sanctums of government. We should not be surprised if it is also held by others who are much less intelligent and much less well informed.

In the event, of course, the U.S. "did" nothing, except of a declaratory nature. Brzezinski asked the Pentagon to make contingency plans for deploying U.S. forces in southern Iran to protect the oil fields, if necessary, and suggested (after the departure of the Shah) putting the 82nd airborne division on alert. But Brzezinski's was not the only voice in the kitchen cabinet: Cyrus Vance and the counter-culture at the State Department consistently argued for a lower U.S. profile, and the net result was lots of talk but little action, apart from repeated assurances to the Shah that Washington was, in some sense, behind him.

The talk was hampered by ignorance. Policy makers in Washington had long had good contacts with the Shah and with the Iranian military. But when Brzezinski tried to find out a little more about the rest of the Iranian political scene, after the disturbances burst like a clap of thunder in the summer of 1978, he discovered that the CIA knew nothing that was worth relating.

Repeatedly, the policy-makers toyed with the idea of promoting a military coup in Iran to stem the tide of popular revolt. Brzezinski seems to have believed that Washington could promote a coup simply by making the right kind of "signal." It was left to President Carter to point out that Washington was unable to identify the required leader for such a coup.

In any case, the natural discordance between the views of Vance and Brzezinski was exacerbated by the hectic pressure of foreign policy making—what Brzezinski calls the "overloaded circuits." The Iranian revolution competed for Washington's attention with Camp David, with the Salt nuclear weapons negotiations with the Soviet Union, as well as with controversy over the defence budget.

Today the story is similar: Central America is competing with the aftermath of the Lebanon invasion, with new nuclear weapons negotiations, with Alliance quarrels over trade, and with controversy over the defence budget.

The odd thing is that, after vigorously defending his penchant for activism throughout the Iran episode, Brzezinski concludes rather lamely: "Rapid modernisation of a very traditional society breeds its own instabilities and revolutionary dynamics . . . U.S. policies could not and did not provide effective remedies."

Now, under Ronald Reagan, the activist illusion is once more alive and well.

*Power and Principle; Memoirs of the National Security Adviser, 1977-81, Zbigniew Brzezinski; Weidenfeld and Nicolson; 587 pp; £15.*

## Letters to the Editor

### Proposals could put many pensions in jeopardy

*From the Co-ordinator, Private Capital, British Railways Board*

Sir,—If pension fund members were given the right to opt out (April 28), the safety of many people's pensions could be jeopardised.

Suppose, for simplicity, that a company had three employees, one aged 55 and two aged 25. Most of the contributions payable to the pension fund for the next 10 years would undoubtedly be needed to meet the cost of the pension of the 55-year-old (particularly if he had been granted back-service rights), whereas the pension of the 25-year-olds would be purchased mainly during the 30 years thereafter.

If both of the 25-year-old employees now opt out of the pension scheme it is easy to see that the pension for the 55-year-old may be endangered. Neither the company nor himself may be able to afford higher contributions, and his pension might therefore have to be reduced.

I suggest that this dangerous proposal should be reconsidered.

C. G. Lewin,
*British Railways,*
*222, Marylebone Road, NW1.*

*From Mr H. Wynne-Griffith*

Sir,—The report "Personal and portable pensions—for all" by the Centre for Policy Studies (April 28) is important in that it raises fundamental questions over the way in which we provide for retirement. In offering its recommendations, however, the report has confused a number of issues and leaves unanswered a number of questions.

The present system of pension provision has evolved over the past 30 years into an enviably sound and efficient way of converting income into capital investment and then back into income at retirement. It would be tragic for the system to be dismantled as a result of the report's recommendation and replaced by the "piggy-bank" arrangement the current system itself replaced.

The report (like many others before it) highlights the problem of the early-leaver. In identifying the "piggy-bank" system as one in which the problem cannot arise the report then seeks to justify the reintroduction of that system on other grounds. (Deficiently, no other solution is offered despita the many that have been put forward.)

If the early-leaver problem were removed by allowing deferred pensions to increase then, presumably, there would not remain sufficient grounds for dismantling the present system.

This, however, is only a part of the problem. The present system is also deficient in that it does not automatically maintain the purchasing power of pensions in payment. This is not mentioned in the report.

Both of these problems need to be resolved and the reintroduction of the "piggy-bank" system will not do so. In fact, it would create others which are not mentioned in the report.

It would involve wholesale participation in the state earnings-related pension scheme with the consequent problems of the next generation having to pay substantial National Insurance contributions to pay the promised pensions. Furthermore, the employee will lose the tax-relief on pension contributions which will then become NI contributions (this will result in a real loss of pension). This will make employees even more dependent on the state for their pensions, which negates the recommendation that we all become "mini-capitalists." Who now considers his state benefits as a part of his wealth?

The nature of personal savings will involve investment over a much shorter time-scale than is the case with pension funds. This will have serious implications for the equity and property markets.

No mention is made in the report of the 10m or so who are not in company pension schemes at all. Do they use the "piggy-bank" system already available to them?

The present system has too many advantages — economic, financial and social — to dismantle it and especially so for the wrong reason. Of course, the deficiencies must be corrected, but replacing the system with another will not achieve this.

The single most important contribution made by the publication of the report is the fact of its publication. Here is yet another reason for pension funds to come up with an acceptable solution to their problems. If they do not do so within an acceptable time-scale, then perhaps legislation should be enacted to ensure that they do, but that legislation should tackle the real problem and not seek to tinker with the pensions system.

H. R. Wynne-Griffith.
*3, Dulwich Wood Avenue, SE19.*

*From Mr R. Sloan*

Sir,—Eric Short commented (April 28) on the fundamental pension changes urged by the Centre for Policy Studies. While I have much sympathy with the centre's motives, I fear that it has perhaps rather over-reacted to the plight of the early leaver by, as it were, throwing out the baby's long-term pension guarantee with the early leavers' bathwater.

The first of the Occupational Pension Board's main recommendations, the abolition of "franking," is already being implemented and I feel that adoption of the other proposal for revaluation of preserved benefits for early leavers, whether by voluntary action or through legislation, would do much to take the heat out of the current debate. Given this change, then it is perhaps questionable whether our economy necessarily needs to accept the following implications of the centre's proposals.

Final salary benefit promise (even with revaluation) to be abandoned in favour of a contribution promise (money purchase); this would represent a fundamental change of philosophy. Emphasis on unit-linked investment of such contributions; but merely having a "sense of involvement" offers no benefit guarantee as such. Contracting-out of the earnings-related state pension would cease, leading to more pay-as-you-go and hence less funding; but gross National Insurance contributions would thereby reduce leading to greater personal freedom of investment.

The fact is that any employee who is not accruing occupational pension rights is deemed to be in "non-pensionable employment" and, as such, is already able to effect his own portable S.226 pension contract with tax-deductible personal contributions up to 17½ per cent of net relevant earnings. The centre's proposals are, therefore, effectively attainable at present, subject only to occupational scheme membership being made voluntary rather than compulsory.

For tha employee to achieve financial equilibrium, however, he would need to negotiate a salary increase in lieu of his company's former pension contributions. Therein lies the nub of the problem, in that the young should ge rather less than the current aggregate funding rate, and the old rather more. Also, it is essential, when planning an overall benefit target, to take full account of both elements of the state pension, known as "integration," which requires a rather more sophisticated approach to the design of a money purchase contribution structure than the simple do-it-yourself ideas so frequently advocated.

R. K. Sloan,
Martin Paterson Associates,
*9 Albyn Place,*
*Edinburgh.*

### A unified tax system

*From Mr A. Conway*

Sir,—Having read Mr Brittan's proposals (April 28) for a unified tax system, it will be interesting to see which if any, of the political parties are prepared to go to the country with these proposals as their platform. If ever there was a platform relevant to today, this is it.

A. Conway,
10, *Alder Grove, Chester.*

### Pre-decimal coins

*From Mr R. Dormer*

Sir,—If the convenience of foreign visitors is relevant (and why not?) to the question of our coinage, surely the continued circulation of pre-decimal coins must cause them much more confusion than the introduction of any new coin could. It is 12 years since decimalisation; should not these coins now be withdrawn?

R. J. Dormer.
*3, Crane Grove, N7.*

### The causes of unemployment

*From Mr D. Franklin*

Sir,—Contributors to your columns have drawn attention to some of the causes of unemployment. Many companies have been faced with astronomical rate increases and at a time of recession when they are making low profits or no profits can only meet these additional expenses by reducing staff or closing down.

The Borough of Lambeth now has tha highest number of unemployed of any London borough and this has increased by 20 per cent in a year. Last month commercial rates increased by 25 per cent bringing the total increase during Clr Knight's reign to 180.55 per cent.

Last week the finance committee voted further expenditure towards the Brixton recreation centre whose estimated costs have risen from £2m to £25m. The accrued losses on parking meter revenue are over £1.5m and these vital services are provided by elected councillors. The commercial community which funds the majority of local rates is powerless to act as it is disenfranchised.

Unemployment will increase and company closures will accelerate as long as Knightmare policies sacrifice jobs.

D. G. Franklin.
121, *Kennington Road, SE11.*

FINANCIAL TIMES

Thursday May 5 1983



BONN WANTS TO INTENSIFY TALKS AT ALL LEVELS

# Kohl seeks better ties with East

BY JONATHAN CARR IN BONN

HERR HELMUT KOHL, the West German Chancellor, has made it clear that he will intensify his drive for better relations with the Communist East, despite domestic critics pressing for a tougher line.

In his government declaration yesterday Herr Kohl said he hoped his talks with the Soviet leadership, starting on July 4 in Moscow, would be only the first of regular meetings.

"With good will, there is a lot of scope for co-operation in the political, economic, scientific and cultural fields," Herr Kohl told parliament. Bonn wanted to intensify talks at all levels with East Europe – and with Moscow above all.

Herr Kohl's speech bad been tensely awaited following a rumbling dispute withio the centre-right governing coalition over policy towards the Communist states, especially East Germany.

The Chancellor's readiness to achieve an understanding with the East was welcomed by East Germany. The East German news agency, ADN, said the Warsaw pact states wanted good relations with West Germany.

Herr Franz Josef Strauss's Bavarian Christian Social Union (CSU) had reacted particularly strongly to the deaths of two West Germans travelling in the East last month. The CSU strongly implied on Tuesday that it had been able to toughen the draft of the government declaration, which sets out policy aims for the next four years.

However, observers were unable to detect any difference of substance between Herr Kohl's latest remarks on ties with East Germany and those be has made often before since becoming government leader last October.

The Chancellor did not meotion the decision of Herr Erich Honecker, the East German President, to cancel a planned visit here – but be did underline that contacts at other levels should go ahead.

These comments were seen as a favourable response to latest East German official commentaries stressing the need for continuity of ties between the two German states – despite recent setbacks.

Playing on the apparent divisions in the government camp, the opposition leader Dr Hans-Jochen Vogel, demanded to know whether foreign policy was in future to be made in Bonn or by Herr Strauss in Munich.

But Herr Kohl – renowned for his equanimity even under sharp public pressure – was not to be goaded. During his two-hour speech be did not refer once to Herr Strauss nor give a sign, even indirectly, that there bad been any trouble with the CSU.

Even when a parliamentarian from the radical new Greens party sprang to her feet waving a banner about Nicaragua, the Chancellor merely paused and smiled benignly.

"Unfortunately the problems we face cannot be solved that way," he noted, as an attendant removed the offending object and the "Green" retreated to her seat.

In the European policy part of his declaration, the Chancellor was a bit less specific than he used to be. There was no word about having a Community declaration on European Union approved by the summit conference of "the Ten" next month in Stuttgart, nor about early completion of the negotiations on Spain's EEC membership.

Bonn had hoped to see both elements emerge during its EEC Presidency, which expires at the end of June. But the problems have proved still greater than it expected.

# British ministers expect election in June

By Peter Riddell in London

SENIOR UK Government Ministers are now convinced that a general election will be held next month unless the ruling Conservatives suffer an unexpected setback in today's local council elections.

The official line is that Mrs Margaret Thatcher, the Prime Minister, has not yet decided. But ministers from a wide range of departments believe that June bas become virtually certain – and they are planning on that basis. This reflects recent contacts with Conservative Central Office.

Even senior Ministers who have openly favoured an October poll have started to say that June is looking inevitable.

Some MPs though, significantly, few ministers, still believe that Mrs Thatcher could defy the trend of the past three weeks and stick to her original intention of waiting until October or oext year.

There are conflicting views over the likely date. Speculation has recently increased that Mrs Thatcher wants a short campaign leading up to polling on June 9.

The snag is that campaigning would conflict with the dates of the Williamsburg economic summit in the U.S. on May 29 and 30 and of the Stuttgart EEC meeting on June 6 and 7. It would also involve the abandonment of several major pieces of legislation.

In Whitehall last night it was being insisted that, whatever happens, Mrs Thatcher will go to the U.S. for the Williamsburg meeting. But the Westminster pundits are divided about the benefits and disadvantages of her being out of the country during a campaign.

Many MPs, therefore, believe that June 23 is the most likely date, with a possible compromise on June 16, both to gain the advantage of the publicity surrounding the summits at the start of the campaign and to allow the passage of several major Bills.

The meeting next Sunday at Chequers, the Prime Minister's country residence, of Mrs Thatcher with Mr Cecil Parkinson, chairman of the Conservative Party, Mr William Whitelaw, the Home Secretary, and Sir Geoffrey Howe, the Chancellor of the Exchequer, will hear party reports on the local election results, but a decision is not expected to be announced immediately.

A statement about Mrs Thatcher's intentions may not even be made next week, though there are strong pressures for an early announcement and Mrs Thatcher is due to give a series of media interviews in the next two weeks.

Carpenters working on the renovation of the conference room at Conservative Central Office in London have been told that their work should be completed within seven to 10 days. This is the room where daily electioo campaign press conferences are held.

THE LEX COLUMN

# Marks stays on the steamroller

With one ear cocked for the first cuckoo of spring, this is the time of year every fund manager worth his salt starts to agonise over whether he should switch from Marks and Spencer into a retailer with recovery potential. Until now, such a switch would have been decidedly premature. Over the last three years, Marks has been putting on volume like the friskiest growth stock at a steady 10 per cent a year or so and has emerged as the most highly rated large company in its sector.

Yesterday's figures for the 12 months to March were no exception. Volume is up about 11 per cent overall – clothing by 8 per cent, food 11 per cent, and the smaller housewares division by about 24 per cent. Since the growth in consumer spending in the period has been heavily biased to durable goods, this performance implies another strong gain in market share.

A generous wage settlement and an extra 7 per cent staff has pushed up the wage bill 18 per cent and squeezed net margins. So pre-tax profits have risen by 7½ per cent to £239.3m, or about 10 per cent adjusting for the extra week in the previous year.

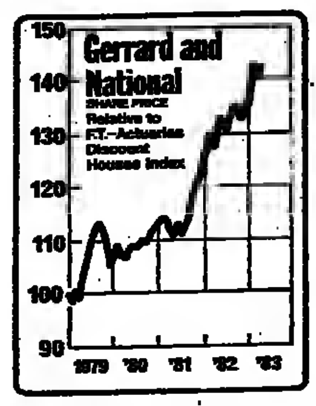
The disarray of many of Marks' retail rivals is partly a reflection of the company's volume performance. There are signs that Marks will continue to be able to turn the screw. This year volume continues to steam ahead, while the renewed emphasis on service may add to the pressures in other groups.

In foods the company seems to have achieved a volume base allowing it to squeeze price rises below the national rate of inflation, while the rapid encroachment of its housewares division must hurt the Woolworths and W. H. Smiths of the sector.

With generosity to employees slightly reined back this year, the pre-tax outcome may be in the region of £270m. No doubt there will be retailers whose profits will rise more, but Marks' own trading performance means that picking the right company to switch into has become a high risk operation. The shares slipped 14p to 201p yesterday, but the reaction may be temporary.

## Discount houses

Gerrard & National has thoroughly vindicated its reputatioo as the master of bull markets with a set of preliminary figures which




break every record in sight. Published earnings have risen from £4.3m to £14.2m and the fact that inner reserves have grown despite a £2m withdrawal for the scrip issue suggests that true earnings must have been closer to £20m.

Gerrard may have played its cards with finesse but eveo a pedestrian performance by it and Union would have extended their lead over the smaller houses. The reconstituted Smith St Aubyn, panting to keep up, evidently came a slight cropper in the second half and, even after what must be a zero tax charge, published earnings of only £1.4m.

If Gerrard can add more to its disclosed shareholders' funds in a single year than Smith can boast in reserves shortly after a one-for-ooe rights issue, then the case for further gentlemanly mergers among the smaller companies must be almost overwhelming. Gerrard's share price, meanwhile, rose 7p yesterday to 400p, giving a yield of 7.4 per cent. This may represent a premium to the sector but it takes little account of Gerrard's highly consistent dividend record.

## British Airways

The world's favourite airline, as it describes itself in its latest advertising campaign, is still flying more provisions from one year's balance sheet to the next than most other international companies, public or private. In 1982-83, redundancy costs of £60m, and perhaps £10m of other assorted costs, have been met from the lavish provisions set aside a year ago, leaving nearly £40m to fund the last major round of planned redundancies in 1983-84. Even if no provisions existed, however, British Airways would still yesterday have reported a curtailment of pre-tax losses from £113m to £14m or so, which is a momentous enough event io itself.

Cost savings of about £100m from the workforce reductions bave effectively countered a £45m jump in unspecified overheads and a £55m increase in the staff bill. This has allowed a £169m gain in the airline's operating revenues – achieved despite falling traffic figures – to flow through to a £161m swing in its trading profit.

Casb generated during the year has actually reached £310m, including £60m from the sale of International Aeradio. With working capital cut by £30m, this has beeo sufficient to allow a token amount of net debt repayments after providing for all the redundancy expenses and £190m of capital spending.

All of which may appear to have launched BA off down the runway towards privatisation. But with interest costs up again from £111m to £120m, the carrier still has no more chance of taking off into the private sector than the dodo had of flying – unless and until ways can be found to unload a major part of its total borrowings which remain just over £1bn.

## BTR/Tilling

Thomas Tilling has produced a lengthy and spirited defence against the BTR bid which hinges crucially on a forecast of 1983 profits which only a few months ago would have looked a flight of pure fantasy. Tilling's figure of £95m pre-tax admittedly incorporates a nimble accounting adjustment at Cornhill, which adds £6.4m, but the group is not budgeting on a contribution from its treasury divisioo; which chipped in £8.7m last year.

So, even accepting that the U.S. energy equipment business returns to break-even after last year's £16.4m loss, Tilling will have to extract profits growth of almost three quarters from the rest of its operations to meet the target.

Tilling is not prepared to break down its forecast by division so the market may look with some scepticism at a figure which is higher by a good £15m than the most optimistic outside estimate. But the promise of future profits – and dividends – must be Tilling's best defence. It bas tied itself in knots trying to explain how its own shareholders might have done better than BTR's over the past five years.

# External audit for Banco de Santander

By Alan Friedman and David White in Madrid

BANCO DE SANTANDER, the sixth largest bank in Spain, has agreed to its first-ever external audit as a result of pressure from the Bank of Spain, the Spanish central bank.

Arthur Andersen, the international accountancy firm, is conducting the audit, which is expected to be complete within the next 10 days.

Spanish banks are not normally obliged to have their books examined by outside auditors, but in the wake of the expropriation of the Rumasa group and 16 of its bank subsidiaries, the Spanish Government is trying to obtain as much information as possible about the finances of banks in Spain.

In Madrid yesterday, it emerged that the Banco de Santander had around $300m of loan exposure in Latin America, representing 5.2 per ceot of its total assets. Of that total, some $62m of loan exposure was located io Chile. Wheo Banco de Santander's annual report and accounts are published this June, the bank is expected to announce, as bave a number of European banks, that its loan exposure in Latin America totals on more than 1 per cent of its assets in any one country.

Although the bank does not produce a consolidated set of group accounts, it is believed to have allocated 1982 bad-debt provisions of Pta 7.5bn ($55m) for the Spanish parent bank. That compares with Pta 6.2bn for the parent bank in 1981.

Banco de Santander's Latin American subsidiaries, some of which have branch networks, are believed to have made bad-debt provisions that totalled around $20m last year.

Banco de Santander showed a 1982 net profit increase of less than 1 per cent, to Pta 9.1bn, the lowest year-on-year increase of any Spanish bank.

# Zanussi talks with Philips in search for European partner

BY RUPERT CORNWELL IN ROME

THE TROUBLES of Zanussi, Europe's biggest producer of domestic electrical appliances, might bring not ooly a transformatioo of the Italian group, but also a significant realignment of the European industry.

Philips, the Dutch-based group, confirmed yesterday that it bad been bolding talks with Zanussi for the past week at the request of the Italian Government It discounted, however, reports that it would take a direct equity stake in Zanussi as a means of providing much needed new capital for the Italian company.

Zanussi Indicated meanwhile that Philips was not the only possible European partner it had in mind. Cootacts are also being made with Thomson-Brandt, the state-owned French concern.

Zanussi's difficulties have been caused by problems in the electronics sector, high inflation and high interest rates. This last factor has been especially important since the group's indebtedness stood at L800bo ($547m) at the end of 1982, when it effectively lost L100bn on sales of L1,600bn.

Despite its size, the company is not quoted oo any Italian stock market. Some 90 per cent of its capital is owned by the Zanussi family, while the remaining 9.6 per ceot belongs to Voest-Alpine of Austria.

But the alliance with a foreign partner is not the only possibility being mooted. Earlier this week, Sig Lamberto Mazza, chairman of Zanussi, denied suggestions that he was about to resign and that a controlling stake would be takeo by the "consortium" association of leading Italian industrialists, including Fiat's Agnellis and the Pirellis.

A fluid situation may become clearer oo May 17, when a new round of discussions on Zanussi's future is scheduled at the Industry Ministry between management and union representatives and the Government. Zanussi is seeking to trim its 30,000 workforce by around 3,500 and sort out the especially pressing difficulties of Ducati, its electronics subsidiary.

The Governmeot has also drawn up plans for Zanussi to collaborate with REL, the financial company set up by the state to reorganise Italy's consumer electronics industry. The company claims that promised funds, although long allocated, have not been disbursed.

# Eastman Kodak profits fall 25% to $137m

BY PAUL TAYLOR IN NEW YORK

EASTMAN KODAK, the giant U.S. photographic products group, yesterday reported sharply lower first quarter earnings. It blamed depressed sales, the strength of the dollar and the costs of an early retirement and redundancy programme.

Kodak said it expects pressure on margins and earnings to continue throughout the year. But it added that it expects financial results to "bottom out" and that 1983 will be a "turnround year" for the company.

The company said operating earnings, before a charge related to the redundancy programme, fell by 24 per cent to $223.1m from $292.3m. Net earnings before the charge fell by 25 per cent to $136.6m or 83 cents a share, compared to $181.3m or $1.12 a share in the same period last year. Worldwide sales fell by 5 per cent to $2.13bn from $2.25bn.

After the charge for costs associated with the implementation of the company's optional early retirement and voluntary redundancy programme were included, earnings from operations plunged 74 per cent to $77.2m. Net earnings dropped by 73 per cent to $49.4m, or 30 ceots a share.

Kodak said it expects that the savings from the programme for the full year should about equal the entire cost of the scheme as accrued in the first quarter. The company announced the scheme, which was available to about 80 per cent of the company's 93,200 U.S. workforce, in January and the offer expired at the end of February.

Mr Walter Fallon, chairman and chief executive, commenting upon the results, said: "Lower unit sales outside the U.S. and the adverse effect of foreign currency values against the U.S. dollar combined to depress first quarter sales.

Sales of both the company's photographic division and its chemicals division fell in the first quarter. In the photographic division, which recorded sales of $1.68bn compared to $1.78bn, gains in the U.S. were more than outweighed by a decline overseas. Chemicals sales fell by 6 per cent to $499.5m from $531.2m

# Brussels plea to avert budget crisis

Continued from Page 1

some as politically unrealistic. The UK and West Germany are still opposed to any increase in overall budget revenues and the British Government will be disappointed that the Commission has opted for an energy consumption tax rather than a levy oo energy imports.

This would have fallen much more heavily on the other energy importing member states, whereas the only benefit from the consumption tax – from which industry will be exempted – will come from spending oo energy projects in the UK.

The Commission has discussed a tax level of 0.1 per cent of total private energy consumption but was unable last night to reach a final decision.

But London will be interested in the new way of financing the CAP. This would begin by establishing that 33 per cent of the EEC budget will be allocated to the CAP and funded on the present basis. The balance – currently about 30 per cent of the budget – would be raised according to a member state'a share of final agricultural production and its relative gross national product.

A rough calculation suggests that this might cut the UK's net payments to Brussels by about a half. This year Britain will pay about £1.2bn ($1.9bn) more to the EEC than it receives unless the government negotiates a special rebate in the next few weeks.

The Commission is hoping that the prospect of the Community having to spend all of the money available under the 1 per cent VAT ceiling next year will drive member states towards a prompt agreement.

Subsequent ratification by national parliaments will take a year, which means that the new system will not operate before January 1 1985 at the earliest.

# Rumasa 'lost over $500m in 1982'

Continued from Page 1

In some cases, the names of the Panamanian and other companies receiving loans from the Banco de Jérez were later altered, and some of the declared recipients have denied knowledge of the transactions registered in their name, officials said.

Government representatives yesterday flew from Madrid to Uruguay to investigate further the Latin American end of the offshore trail and to try to retrieve what are claimed to be Rumasa assets.

In London, meanwhile, Mr Peter Squires, a partner at accountants Shipley Blackburn and a director of Multinvest – the UK company which is regarded by the Spanish Government as the hub of Rumasa's undeclared British interests – said that Sr Carlos Quintes, Multinvest'a managing director, had resigned and left the UK. Sr Quintas has been named in an English High Court action brought by the now nationalised Rumasa group to determine the ownership of Multinvest, which controlled the Augustus Barnett wine chain and other companies.

Mr Squires said Multinvest (UK) was owned by Multinvest NV in Curaçao. When asked who owned Multinvest NV he replied: "I don't know."

The Spanish Governmant contends that everything Multinvest acquired was paid for with money from Rumasa banks.

Mr Squires said that in the past Multinvest-owned companies "always reported directly to Sr Jose Maria Ruiz-Mateos in Spain." Sr Ruiz-Mateos is the founder and former head of the Rumasa group.

# Daimler in DM 170m cash call

BY JOHN DAVIES IN FRANKFURT

DAIMLER-BENZ, the West German motor vehicle manufacturer, is giving shareholders an increased dividend plus a bonus, as well as offering a rights issue to raise DM 170m ($69.38m).

The dividend for last year is to be DM 10.50 per DM 50 share, in comparison with a DM 10 dividend in 1981. In addition, a bonus of DM 1 per share is also proposed. Shares closed yesterday at DM 543.

The company announced that it planned n one-for-nine rights issue at par at the end of this year to increase the shareholders' capital by DM 170m to DM 1.7bn. The new shares will qualify for a dividend for this year.

Daimler-Benz is dispensing DM 350m as a result of dividend and bonus payments, compared with DM 304m the previous year. On top of this, the company is transferring DM 337m to reserves to strengthen its financial base, compared with DM 304m in 1981.

This means that the parent company's net surplus last year rose to DM 687m from DM 608m the previous year.

Daimler-Benz, in which Kuwait has a stake of about 14 per cent, has already announced that its group sales worldwide went up 6 per cent last year to DM 38.87bn.

Its results are in sharp contrast to the woes of Volkswagen, which last week reported a worldwide loss of DM 300m and is omitting a dividend for the first time since 1975.

# World Weather

| | | °C | °F | | | °C | °F | | | °C | °F | | | °C | °F |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ajaccio | S | 19 | 66 | Dubrovnik | C | 19 | 66 | Malaga | R | 17 | 63 | Salzburg | F | 15 | 59 |
| Akrotiri | S | 24 | 75 | Faro | F | 19 | 66 | Malta | S | 24 | 75 | Seoul | S | 26 | 79 |
| Algiers | F | 22 | 72 | Florence | S | 22 | 72 | Manila | S | 37 | 99 | Singapore | R | 33 | 91 |
| Amsterdam | F | 11 | 52 | Frankfurt | R | 9 | 48 | Miami | C | 28 | 82 | Stockholm | C | 10 | 50 |
| Athens | S | 23 | 73 | Funchal | F | 19 | 66 | Milan | F | 20 | 68 | Strasbourg | C | 14 | 57 |
| Bahrain | S | 30 | 86 | Geneva | R | 12 | 54 | Moscow | C | 15 | 59 | Sydney | — | — | — |
| Bangkok | S | 36 | 97 | Gibraltar | S | 18 | 64 | Munich | R | 11 | 52 | Taipei | S | 28 | 82 |
| Barcelona | F | 19 | 66 | Guernsey | S | 12 | 54 | Nairobi | — | — | — | Tangier | F | 19 | 66 |
| Beirut | S | 23 | 73 | Helsinki | C | 11 | 52 | Naples | F | 19 | 66 | Tehran | — | — | — |
| Belgrade | F | 20 | 68 | H. Kong | S | 28 | 82 | New Delhi | S | 38 | 101 | Tel Aviv | — | — | — |
| Berlin | R | 9 | 48 | Innsbruck | R | 15 | 59 | New York | C | 26 | 79 | Tenerife | C | 20 | 68 |
| Biarritz | S | 22 | 72 | Inverness | C | 9 | 48 | Nice | C | 17 | 63 | Tokyo | S | 25 | 77 |
| Blackpool | F | 14 | 57 | Istanbul | S | 18 | 64 | Oporto | S | 16 | 61 | Toronto | R | 20 | 68 |
| Bordeaux | C | 19 | 66 | Jersey | F | 13 | 55 | Oslo | R | 11 | 52 | Tunis | S | 25 | 77 |
| Brussels | F | 14 | 57 | Jo'burg | S | 23 | 73 | Paris | C | 13 | 55 | Valencia | F | 21 | 70 |
| Budapest | F | 18 | 64 | Las Palmas | C | 19 | 66 | Prague | C | 12 | 54 | Venice | C | 19 | 66 |
| B. Aires | C | 21 | 70 | Lima | S | 29 | 85 | Reykjavik | C | 8 | 46 | Vienna | F | 16 | 61 |
| Cairo | C | 32 | 90 | Lisbon | F | 17 | 63 | Rio de J'o | C | 28 | 82 | Warsaw | — | — | — |
| Cape Town | — | — | — | Locarno | C | 16 | 61 | Rome | F | 20 | 68 | Zurich | S | 11 | 52 |
| Caracas | R | 29 | 84 | London | F | 15 | 59 | | | | | | | | |
| Casablanca | R | 17 | 63 | Los Angeles | C | 25 | 77 | | | | | | | | |
| Copenhagen | C | 9 | 48 | Luxembourg | C | 9 | 48 | | | | | | | | |
| Corfu | S | 24 | 75 | Madrid | S | 19 | 66 | | | | | | | | |
| Dublin | S | 12 | 54 | Majorca | F | 21 | 70 | | | | | | | | |

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

# June poll sure in Italy

Continued from Page 1

Giugni, an expert in industrial relations and one of the architects of last January'a agreement to modify the *scala mobile* system of wage indexation, has rekindled fears that Italy's largely disbanded left-wing terrorists might bring their own brand of disruption to the campaign.

Professor Giugni escaped with leg and arm wounds in the attack, carried out by two terrorists from the Red Brigades organisation. But it was the first such outrage in Italy for many months, and possibly a pointer that those terrorists still at liberty are regrouping for fresh action.

The previous election campaign in 1979, when left-wing terrorism was at its height, took place against a constant background of violence. On polling day, election stations were guarded by police and troops armed with machine-guns.

Meanwhile, the present predictions are that the Socialists who have provoked the dissolution of parliament will be rewarded with a small increase in their share of the vote from 10 per cent in 1979, with reductions in the Communist vote, and possible benefits for the smaller "lay" parties of the centre, notably the Republicans.



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SECTION II – INTERNATIONAL COMPANIES
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Thursday May 5 1983



# Siemens rises by 11% in first half

By John Davies in Frankfurt

SIEMENS, West Germany's leading electronics concern, has reported higher sales, orders and profits in the first half.

In common with many other German companies, however, it has experienced a severe setback in export orders because of the world recession and international financial problems.

The Munich-based group disclosed yesterday that profit after tax in the half-year to March 31 rose to DM 348m ($141.6m), 11.2 per cent up on the same period a year ago.

Sales revenue increased 3 per cent to DM 18.7bn, with domestic sales relatively healthier than exports. Revenue within West Germany went ahead by 4 per cent to DM 8.3bn and abroad by 3 per cent to DM 10.4bn.

Data systems and medical engineering boosted sales revenue by about 15 per cent. The electrical installations division, however, did not reach the previous year's levels, and the company said it would take some months to reap the benefits from the recovery in the building trade.

The inflow of orders for the group showed a 17 per cent jump to DM 26.2bn, but in contrast to previous years the impetus came essentially from within West Germany.

Domestic orders shot up 66 per cent to DM 14.1bn. This takes into account large-scale orders received by Siemens' Kraftwerk Union subsidiary for nuclear power projects.

Siemens voiced concern about orders from abroad, which at DM 12.1bn lagged 13 per cent below the level in the first half of the last financial year.

LOST EARNINGS MAY HAVE COST $50m, SAYS TEXAS INSTRUMENTS PRESIDENT

# Low-technology problem hits electronics giant

BY LOUISE KEHOE IN SAN FRANCISCO

FOR TEXAS Instruments Incorporated the effects of severe Japanese competition, economic recession and international currency variations are trifling when compared to the impact of a possible safety deficit in a $2 electrical transformer.

A potential electric shock hazard created by a fault in the component in Im Texas Instruments home computers reduced the company's 1983 first quarter earnings by 74 per cent. Texas Instruments is the largest maker of sophisticated semiconductor devices in the world, a major military electronics developer and manufacturer, a leader in the world of geophysical exploration services and ranks among the top five U.S. manufacturers of distributed computing products. All the company's sophisticated technology could not, however, outweigh the low-technology problem.

Texas Instruments earnings tumbled from $27.7m for the first quarter of 1982 (which was a poor quarter for TI) to only $7.1m on sales of $1.17bn.

While TI president Mr J. Fred Bucy says that "the problem is now behind us," he estimates that lost earnings from a one month shipping halt on the home computer, together with costs of replacing transformers on the units already distributed total around $50m.

"You all should know that we lost one month's production," said TI chairman Mr Mark Shepherd, in a rare moment of frankness, "that does not sound like much, but in a 24 month – maybe 36 month – market it is." In addition to the lost sales of the computer itself, revenues were lost from sales of highly profitable peripherals and software that work with the computer.

Despite the setback, Texas Instruments intends to fight on for a bigger share of the rapidly growing home computer market. Battling for market share with cut-throat price slashing is a speciality of the tough Texans. TI thrives in markets that its more cautious counterparts in Silicon Valley eschew. National Semiconducter, Intel and Fairchild all have avoided the volatile consumer electronics market since they got their fingers burnt in the 1970s by pocket calculators and digital watches. Texas Instruments, in contrast, has staked its reputation – and its profitability – on a line of consumer electronics products that include calculators, learning aids such as the "speak and spell" and home computers.

The Texans seem to glory in competitive market shoot-outs, and the home computer business is a prime example. Though Mr Bucy complains that home computer prices have declined faster than he had expected, TI has engaged in a price war that industry analysts fear will decimate profit margins. In TI's latest move, the price of the TI99/4A home computer is to be slashed on June 1 to $99 from its current price of $150. This, despite the fact that TI had planned to introduce a new $100 computer at about that time.

As the home computer market expands – sales are expected to total $2.5bn this year – U.S. manufacturers are expecting new competition from Japanese and other foreign consumer electronics firms. "Everybody in South East Asia who owns a soldering iron is making home computers," jokes Mr Shepherd. "When those arrive over here there is going to be a shakeout. It will be tough for some people to survive. We'll be all right. We know how to deal with that kind of competition," he asserts.

TI's long-term experience in fighting foreign competition in consumer electronics, however, has left it with some battle scars. After a bloodbath of price cuts, TI eventually conceded the digital watch market to Japanse suppliers in the late 1970s. Today, industry analysts are beginning to wonder if the home computer battle could have the same disastrous outcome.

Texas Instruments can, however, exhibit several price war trophies won by its semiconductor operation. Twenty per cent of the billion dollar market for 64k random access memory chips is the proudest win. While Silicon Valley companies deliberately or by chance delayed their entry into the biggest-ever market for any single variety of silicon chips, and complained about "unfair" Japanese competition, Texas Instruments stormed ahead hurling out aggressive price cuts and new versions of the memory chips as fast as any of its Japanese competitors. As a result, TI is the leading U.S. supplier of 64k RAMs, and claims that it will also lead in the next generation, the 256k market.

Virtually every other major U.S. semiconductor manufacturer has publicly opposed the "Japanese threat to U.S. technological dominance." Presidents and chairman of other U.S. semiconductor firms have presented evidence before congressional committees on the issue. Not so, Texas Instruments. TI remains reticent. In part, this may be presumed to be because TI has a major manufacturing operation in Japan, where until recently almost all its 64k RAMs were manufactured.

Another reason is that TI is the most secretive company in the U.S.

Mr Mark Shepherd

semiconductor industry. This, say industry sources, is why TI is not a member of the semiconductor industry association which represents every other major company in the industry. Membership would require TI to divulge – albeit anonymously – sales figures that TI prefers to keep close to its chest.

A brief glimpse of the internal workings of Texas Instruments, however, was offered a year ago at the company's 1982 stockholders' meeting, where Mr Bucy told the world with uncharacteristic candour that TI was reorganising its management structure. TI's matrix management, Mr Bucy said, was fragmenting people and resources and dulling the company's ability to respond to market needs.

The admission shocked industry watchers, but the problem was self-evident. TI had fallen behind in the key market for microprocessors. "We do not have an adequate presence in microprocessors." The company's semiconductor process technology was not keeping pace with that of competitors. "The application of this (CMOS) technology has been slower than desired." In small business computers TI had failed to move into the high-growth market sectors.

Its period of self-chastisement over, TI has now reverted to its taciturn habits. Most questions concerning the management restructuring are declined. TI will say only that it is not complete but that progress has been made. What progress? How complete? "No comment."

TI's roots are in the traditional Texas oil mining industry for which TI gathers and processes seismic data in connection with oil exploration.

# Gain in military sales lifts Grumman

By Paul Taylor in New York

GRUMMAN, the U.S. military aircraft and spare systems manufacturer, yesterday reported sharply higher net income for the first quarter, reflecting strong gains from military aircraft programmes and the planned sale of its loss-making Flxible bus unit.

The company reported net income of $22.63m or $1.60 a share on sales of $509.1m for the first quarter compared with income from continuing operations of $20.1m or $1.51 a share, after restatement for discontinued operations and a change in the accounting method for investment tax credits, and net income of $7.58m or 55 cents a share on sales of $473m in the 1982 quarter.

Grumman said the improvement in net income resulted from the absence of 1983 losses on the discontinued operation of the Flxible bus unit which the company agreed to sell last December for $40m to General Automotive Corporation. Negotiations on the sale are continuing.

The Company said the improvement also came from increases in military aircraft programmes, particularly the EF-111A programme, and improved profits from Grumman Data Systems Corporation.

At the end of March the company had an order backlog of $4.26bn compared with $3.65bn at the end of the 1982 quarter. The backlog included $1.29bn and $1.22bn of orders respectively for the F-14 programme.

Offsetting the improvement in earnings, Grumman reported a $7.5m charge against income from the negotiation of claims generated during the start-up phase of a Boeing sub-contract.

Mr John Bierwirth, chairman, said "we are encouraged by the improvements shown in the earnings report and we feel confident that the trend towards further gains will continue through this year and next."

# Nedlloyd sees further setback

By Our Financial Staff

ANOTHER severe setback is forecast for 1983 by Nedlloyd, the major Dutch shipping and transport group whose profits last year more than halved.

Trading conditions in shipping – which accounts for 60 per cent of Nedlloyd's employed capital – continue to deteriorate, and the group expects to dip into the red for the first six months of this year.

Thereafter some seasonal upswing can be expected, but the overall result is likely to show a further steep decline in profits, the company says in its annual report.

In 1982, net profits tumbled to Fl 59m ($21.45m) from the Fl 147m of 1981.

# VMF-Stork expects to maintain profits

BY WALTER ELLIS IN AMSTERDAM

VMF-STORK, the diversified Dutch group with interests from food processing to heavy engineering, expects earnings this year to be at least equal to the Fl 7m ($2.53m) recorded in 1982.

First quarter profits have been on target and, despite some initial slackness, the order portfolio is healthy.

Group income last year was hit by the high costs of closing a major production plant in Brazil. This resulted in a loss of Fl 13m as Brazilian interest rates soared on loans, the funding of which was no longer being assisted by local cash flow.

High profits from the part-owned Comprimo engineering venture reduced the extraordinary outflow to only Fl 7m.

VMF-Stork's return to profit in the past two years has been remarkable. Between 1978 and 1980, it had piled up losses of close to Fl 140m. Large sums of state aid were injected in the form of additions to group reserves and loans from the Netherlands Investment Bank.

The diesel engine division is now 49 per cent owned by the investment bank, while last year Stork Ketels, the troubled boiler-making division was taken into two thirds state ownership and re-established as a separate entity, Mesk.

The new company had been expected to lose some Fl 20m in its first year, but in fact held losses to nearer Fl 12m.

This year, although there are problems still in the petrochemical area, VMF-Stork expects to consolidate its recovery. Food processing is set to expand, and there are good prospects, too, in the textile machinery, air conditioning and industrial services sectors.

● Bredero, the Dutch construction group, has set aside Fl 20m against possible losses this year in Iraq.

The company is building nine 16-storey apartment blocks for the city of Baghdad but has been hit by the Iraqi government's cash flow problems arising from the war with Iran.

# AT & T and Philips extend link-up talks

By Our New York Staff

AMERICAN Telephone and Telegraph (AT & T), the U.S. telecommunications group, and Philips, the Dutch electrical giant, have agreed to extend the informal deadline for discussions on their plan to form a joint venture company to market telecommunications products internationally.

The two companies, which announced agreement in principle on the joint venture in January, initially hoped to complete negotiations by the end of April.

Under the original proposal a joint venture company equally owned by the two companies would begin marketing an electronic switching system worldwide this autumn.

The agreement would provide for Philips – whose major project is currently a contract in Saudi Arabia with L. M Ericsson of Sweden – to help adapt a version of AT & T's digital main exchange, the 5 ESS, for markets outside the U.S. and to assist in marketing.

# Gould prices battery unit at $300m

BY PAUL TAYLOR IN NEW YORK

GOULD, the Chicago-based U.S. electronics company, hopes to sell its lead acid battery operations – which accounted for nearly a quarter of its $1.6bn sales in 1982 – for $300m.

The company announced plans to sell the battery business last month as part of its strategy of selling operations which do not fit in with its specialisation in high-growth electronics markets.

Although the company said it planned to start talks immediately with several potential buyers, it originally did not disclose an asking price for the business, which is linked to the motor industry and has been depressed in recent years.

Mr William Ylvisaker, Gould's chairman and chief executive, disclosed the asking price at the company's annual meeting. He said the planned sale would provide "additional funds to reduce debt, lowering our total debt to total capitalisation ratio, as well as cash to apply to future acquisitions in closely related electronics fields."

Mr Ylvisaker revealed that Gould plans to expand substantially its involvement in the high-performance minicomputer and factory automation markets through the acquisition of a software company and the introduction of a new family of computer products.

He said the company has signed a letter of intent to buy Graphics Technology Corp (Graftek) for an undisclosed amount. It is a computer aided design and computer-aided manufacturing software company based in Colorado.

# Svenska Varv reduces deficit to SKr 1.4bn

BY DAVID BROWN IN STOCKHOLM

SVENSKA VARV, the state-owned Swedish shipbuilding group which operates abroad under the name Swedyards, reduced its pre-tax loss for 1982 to SKr 1.4bn ($187m) from SKr 1.5bn the previous year.

Sales were ahead by SKr 1bn to SKr 8.3bn. The group suggests it might achieve a positive result for 1983.

Last year's operating loss at SKr 260m is less than half the SKr 592m registered in 1981. It includes a reserve fund of SKr 350m charged against earnings to cover expected costs for laying off workers over the next two years.

Before the reserve provision, the group would have shown a profit as a result of improved prices and the effects of rationalisation in the shipping sector.

The improved operating result was brought down by loss provisions for customer default. The group took a credit of SKr 48m in 1981, but posted a debit of SKr 530m last year.

The group stresses that the long-term problems in the shipping unit remain, and a programme of capacity reduction is to be continued.

Merchant shipping accounts for about 30 per cent of Svenska Varv's sales, down from 60 per cent three years ago. Offshore and repair activities have taken on a bigger role, as have interests in industrial power equipment and construction materials.

The group hopes further to reduce net financial costs this year, after recording a drop a from SKr 1.3bn in 1981 to SKr 600m last year. This was mainly the result of government guarantees, which form part of an SKr 2.2bn aid package agreed in 1980.

# Insurance group ahead

AMERICAN General, the fourth biggest shareholder owned insurance company in the U.S., has increased its first quarter earnings by 55 per cent to $70.4m. A large part of the improvement reflected the impact of the NLT Corporation, the Nashville Insurer, acquired last year, writes our New York staff.

On a fully diluted basis earnings per share in the last quarter totalled $2.07, a 25 per cent increase on the figure a year ago. The group's net income rose 75 per cent to $87.2m partly as a result of $16.7m of investment gains, which compares with $4.4m a year ago. Total revenues rose by 47 per cent to $960m in the first quarter.

Operating earnings of the group's life, health and annuities operations more than doubled to $55.2m in the first quarter compared with a year ago.

# Nu-West sees debt agreement

BY ROBERT GIBBENS IN MONTREAL

NU-WEST GROUP of Calgary, one of several major real estate and energy groups hit by the recession, tight money and collapse in asset values, expects to reach a rescheduling agreement with its lenders by late summer. In the meantime, creditors have agreed to the company's suspension of interest payments on some loans.

About C$625m (U.S.$510m) of debt was due at the end of 1982. In the past six months, Nu-West has sold assets in Canada and the U.S. for around C$350m and has cut overheads drastically.

In the first quarter this year, the group reported a loss of C$255m, against a profit of C$4.6m a year earlier



VONTOBEL EUROBONDINDIZES

WEIGHTED AVERAGE YIELDS
PER MAY 3 1983

| | INDEX Today | Last week | % Year's High | Year's Low |
|---|---|---|---|---|
| US$ Eurobonds | 11.52 | 11.56 | 12.22 | 11.51 |
| DM (Foreign Bond Issues) | 7.39 | 7.37 | 7.79 | 7.23 |
| HFL (Bearer Notes) | 8.03 | 7.91 | 8.07 | 7.43 |
| Can$ Eurobonds | 12.70 | 12.81 | 13.55 | 12.70 |

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# INTERNATIONAL COMPANIES and FINANCE

## Taiwan to clean-up company accounting

By Robert King in Taipei

WHEN TWO large Taiwanese manufacturing and exporting affiliates defaulted on about U.S.$50m in bank loans late last year, bankers and other creditors began asking quietly how the companies could have collapsed so quickly when their accounts had for years shown healthy profits. The two companies could not meet payments on interest and principal and their cheques bounced.

By the time publicly-listed and supposedly healthy Yuan I Industrial Co. and Chung Hsin Co. announced that they could not make payments on $53m in debt two months ago, bankers had already begun looking long and sceptically ot the borrowers' financial statements.

The Government had, too. Last month, it charged 13 officials of Yuan I and Chung Hsin, along with two outside accountants, with preparing false financial statements. The charges underscored a long-standing contention of many financiers here: In too many cases, Taiwanese balance sheets and even formal financial statements are not worth the paper they are printed on.

### Tighter controls

Government officials are more candid nowadays about the extent of the problem. Mr Pai Pei-Ying, chairman of the Securities and Exchange Commission (SEC), says the government has already begun checking tho books and accounting systems of the 115 publicly-listed companies here. It has also proposed legislation which would allow tighter control over tho activities of public accountants.

Taiwan's intention eventually to open its stock market to direct foreign investment and considerably to loosen foreign-exchange controls contributed to tho tougher policy. But the team of economic and financial officials named to top posts last year realises that Taiwanese investors themselves could lose confidence in local businesses if the unreliable reporting continues.

On the other hand, SEC officials say that its announcement of the charges against Yuan I and Chung Hsio have boosted investor confidence. Trading volume on the exchange the day after the charges were made public set a record, while the weighted price index continued n dramatic rise begun three months ago.

A large part of tho problem is conceptual: many Taiwanese businessmen, particularly in family-run enterprises, do not distinguish between themselves and the corporation.

"The company is just another pocket to them," says Mr V. G. Perez, president of tho accounting and investment firm of SGV-Soong and Company. With corporate funds thus moved around at whim, balance sheets and financial statements do not often reflect reality.

### Foreigners burned

Taiwanese bankers appear to understand this better than foreign financiers. For instance, in six major cases where companies got into serious difficulty over the past half-year, nearly all the Taiwanese banks involved had secured their lendings against tangible property. On the other hand, most foreign creditors, particularly those who had recently set up branches here and had not yet learned the ropes, were badly burned. In all six cases, there are indications that the companies mis-stated earnings, assets, and liabilities.

Group statements are almost unheard-of in Taiwan, and in any case often contain too little information for an accountant to determine how a group's activities were consolidated, according to C. Y. Cheng, vice-president of Citibank's Taipei branch.

Tho SEC plans shortly to begin screening all public-accountants who wish to certify listed companies' financial statements. Tho Commission will allow only approved accountants to perform this service. Mr Pai Pei-Ying, hopes this system will help upgrade the profession in general. Mr Pai also says the commission's audit of the 115 publicly-listed companies, to be completed by this summer, will reveal not only those which have been juggling their books, but also those whose accounting systems need renovation.

Despite the current mess and financiers' wariness of Taiwanese financial statements, Mr Pai is optimistic about sorting things out. "Tho Cabinet, tho Ministry, my office all know we have to do something about the situation," he says. "If we want to open the stock market to foreign investors, we have to do it."

## Bridge Oil issue leads to bigger Elders-IXL stake

BY MICHAEL THOMPSON-NOEL IN SYDNEY

AUSTRALIA'S Bridge Oil is raising A$61m (US$53m) through a one-for-two renounceable rights issue of 50 cent shares at a premium of A$1 per share.

Recent share market buoyancy in Australia has encouraged a wave of new issues, headed by CRA's A$206.5m raising.

Bridge Oil, a petroleum and minerals producer, is one of the smaller partners in Australia's Cooper and Surat oil and gas basins. It also has diamond mining interests in Guinea, West Africa.

The company said yesterday that it wanted to reduce reliance oo offshore borrowings. Last year, it negotiated o A$100m non-recourse project finance loan—equivalent to its share of the Cooper Basin's A$1.4bn development cost.

Its main shareholder, Australian Metal Holdings, is taking up only 4m of its 10.2m share entitlement, which will reduce its stake from 40 per cent to 19.9 per cent

As a result, Elders-IXL, the diversified pastoral, food, finance, and resources group, which has a 33 per cent stake at present and is taking up its full entitlement, will become Bridge Oil's biggest shareholder.

Elders is a subsidiary of Australia's Carlton and United Breweries.

Bridge paid no dividend last year, and does not expect to pay one until current development projects begin to bear fruit.

● The privately - owned Smorgon Consolidated Industries yesterday made o surprise A$46m (U.S.$39.6m) offer for the entire issued capital of Fibre Containers a listed packaging concern which is 70 per cent owned by Amatil, tho large tobacco and foods group.

The A$3.50 per share offer compares with Fibre Containers' net asset backing of A$2.18 per share, and the bid sparked a A$2.10 rise in the closing share price in Sydney to A$3.65.

The Smorgon family, which is one of Australia's wealthiest, owns Smorgon Consolidated Industries, the country's biggest paper producer and has meat, steel and shipping interests.

In its last full year, profits nt Fibre Containers rose by 65 per cent to A$3m, and the dividend was lifted by 3 cents to 7 cents a share.

## Koreans refused pipeline interest

CANBERRA—The Australian Government has decided not to allow ICC Construction Company of South Korea to take a 25 per cent stake in the $100m Jackson Pipeline project.

Mr Paul Keating, the Treasurer said ICC's application was not consistent with the Government's foreign investment policy.

The 800 km pipeline is already being built in Queensland to carry oil from the Cooper Basin partners' Jackson field to Moonie where it will link with another pipeline to Brisbane.

Work is being carried out by Cooper Basin partners led by Santos and the Moonie Pipeline Company which operates the Brisbane link.

The Government believes the new line will be a significant part of the development of Australian resources. But it did not think ICC's involvement in its building and operation would result in any economic benefits for Australia.

Investment regulations demand that any foreign involvement in local projects should show a clear benefit to the nation as a whole.

The Cooper Basin partners are using another pipeline to Stony Point in South Australia to Transport most of the Petroleum products out of the region, which straddles the South Australian and Queensland state border.

However, the Queensland Government ruled that oil from the Jackson field on its side of the border should flow to Brisbane to provide local jobs.

Tho federal government's decision should not affect completion of the projects, said Mr Keating.

Reuter

## Marginal rise in earnings at Premier

By Bernard Simon in Johannesburg

PREMIER GROUP, one of South Africa's largest food companies, increased net profit by only 2 per cent in the year to March as n result of depressed business activity, a severe drought, and sharply higher interest charges. Associated British Foods has a 51 per cent interest in Premier.

Attributable profit rose to R53.3m ($46.3m) from R52.3m, and the group has pegged its final dividend at 37 cents, bringing the total to 66 cents against 65 cents.

Although trading income rose by 13 per cent to R126.9m, interest payments jumped by 83 per cent to R39.3m. Capital spending last year totalled R114m, a major contributor to the higher interest charge.

Mr Tony Bloom, Premier's chairman, said his earlier prediction of a significant increase in profits had not materialised mainly because of the depth of tho recession and increasingly fierce competition, particularly in the chicken market.

Premier's other interests include wheat and maize milling, animal feeds, and oil expressing.

Mr Bloom said that business conditions in the current year were likely to be very tough. The impact of the drought would increase and last for some time.

Most of the group's financial ratios are still within its objectives. Total loans amounted to 80 per cent of shareholders' funds last year, compared to the 85 per cent ceiling the company has set.

# Harder line on foreign investment in Australia

BY MICHAEL THOMPSON-NOEL IN SYDNEY

CONFECTIONERY, lemonade, edible oils, and industrial plastics, tomato paste, and advertising jingles, not to mention raspberry jam, locks, hinges, and a vacant lot of land at Surfers Paradise, on the Queensland Gold Coast, have more in common than you might think.

Mr Paul Keating, the Australian Treasurer, has recently used all these, and more, as the unlikely building blocks of a tough new policy on foreign investment in Australia.

The Labor Government in Canberra has been in power nine weeks. It has not issued new guidelines to foreign investors; nor does it advance a claim to have altered tha basic policy on foreign investment formulated and refined by its Liberal-National Party Predecessor.

However, it is clear that existing rules and guidelines will be interpreted more strictly, and that with a Labor Government in Canberra, moves by foreign companies to secure a direct stake in Australian resources, industry and business face new hurdles.

Australia still needs massive injections of foreign capital to develop its energy and minerals wealth. But the game has changed.

Given the recession, foreign investment was not an issue in tha country's Marcb 5 General Election. However, levels of foreign ownership and control in Australia are now thought to be the highest for any advanced country in the world, other than Canada.

As a result, the fear—however exaggerated—has been expressed that Australia is in danger of degenerating into a valuable piece of Pacific real estate, owned largely by Asian, Japanese and U.S. capital.

So far, Australia's approach to foreign investment under tbe new Government has been communicated via a series of statements by the Treasurer which include:

● A decision on April 8 not to approve a proposal by Sanko Sñoji, of Japan, to acquire a vacant 1.7 bectare site at Surfers Paradise, Queensland, on which it proposed to build a block of 220 home units.

According to the Treasurer: "The Government's foreign investment policy will be used to combat speculative dealings in land and property by foreign persons or institutions. . . . The proposed venture would have been largely foreign-owned and controlled, and thereby inconsistent with foreign investment policy. . ."

● A decision on April 19 to block a plan by the UK-Dutch owned Unilever Australia to buy two food businesses owned by Elders IXL, a subsidiary of Australia's Carlton and United Breweries.

The price offered is thought to have been almost A$60m (US$52m), including about A$42m for stock and goodwill.

According to the Treasurer: "Foreign takeovers proposed particularly when they involve industries, such as the food industry, in which foreign ownership and control is already significant, need to demonstrate net economic benefits before approval is given."

● A decision on April 22 to block the planned A$48.4m takeover by Cadbury Schweppes Australia (62 per cent UK-owned) and Nelson Tobacco Company (locally, and privately owned) of Allen's Confectionery, which has the largest single share, of abont 30 per cent, in the Australian sugar confectionery market.

Astonishingly, although the need has made itself the more felt to measure bow high is "high," there are no up-to-date statistics on who owns what in Australia.

According to a recent study by two Australian economists, Greg Crough and Ted Wheelwright: "Today, for all practical purposes, Australia bas been sold."

There were a few "juicy portions" left, they claim, sucb as banking and parts of the public sector. "But most of the really profitable areas have already gone."

Their research, based on official but five-year-old statistics, indicates that three-fifths of the Australian minerals industry is under the control of foreign companies, together with 50 per cent of minerals exploration and a third of manufacturing industry, general insurance and non-bank finance.

"These are average figures for broad sectors," they say, "and do not reveal very high levels of foreign control in such strategic sectors as motor vehicles (100 per cent), oil refining (90 per cent), basic chemicals (78 per cent), brown coal and petroleum (84 per cent), silver, lead, zinc (75 per cent), black coal (59 per cent), and iron ore (47 per cent)."

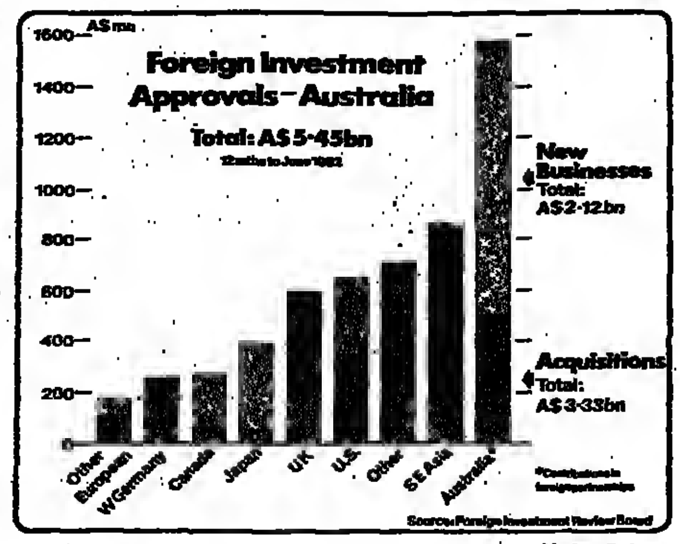
Foreign investment proposals in Australia are examined by the Foreign Investment Review Board (FIRB). Proposals that are scrutinised are those that:

● Fall under the Foreign Takeovers Act, involving the acquisition by foreigners of 15 per cent or more of Australian-owned companies, or mean an aggregate foreign bolding reaching 40 per cent or more.

● Are worth more than A$5m, or, in the case of real estata (other than rural properties, all of which are examinable) more than A$350,000.

In addition, special controls apply to finance, insurance, the media, civil aviation and uranium.

● With uranium, 75 per cent Australian participation, plus board control, is mandatory. In other key areas, including oil, gas, minerals and farming, 50 per cent Australian equity, plus board control, is sought for new projects worth more than A$5m, though the 50 per cent target need not be effective immediately.




Marion Sedger

**The Australian Government's latest foreign investment decision is to reject a bld by ICC Construction Company, of South Korea to become a 25 per cent equity partner in an A$100m Jackson Field oil pipeline project in Queensland**

In the year to June 30 last, 1,209 foreign investment proposals were approved by the FIRB, and 47 rejected. Expected expenditure associated with propesals approved in 1981-82 was A$5.4bn, a fall of A$1.2bn on 1980-81.

Overall, the grand total for foreign investment in Australian enterprises in 1981-1982 is put at A$9.5bn, well above the previous record of A$5.8bn in 1980-81. Of the total, 29 per cent was accounted for by direct foreign investment, the remainder by portfolio investment and institutional loans.

Although part of these inflows was speculative, Mr Ralpb Willis, Labor's former economic spokesman and now Minister for Employment and Industrial Relations, has said in Parliament that no one really knows the score. "What an incredible situation this is,' he said, "we let the foreign investment in first, and then we try to find out wbat it was for and where it all went."

Mr Paul Keating, the Australian Treasurer.

The decisions handed down so far by the Treasurer are not regardad in Canberra as providing firm pointers to a determined change in foreign investment policy.

Yet it is clear that present guidelines will be interpreted more strictly, with close application of the overriding criterion of wbether individual proposals will produca "net economic benefits to Australia" in relation to:

● Competition, price levels, and efficiency.

● The introduction of technology or managerial or workforce skills new to the country.

● Improvement in the industrial or commercial structure of the economy, or in the quality and variety of goods and services available in Australia.

● Development of, or access to new export markets.

In addition, Mr Keating is all too aware, there is a furthar ranga of critaria that can be taken into account under existing rules and guidelines.

It is far too early to know how radical the Government of Prime Minister Bob Hawke will be—on foreign investments matters, or on a broad range of other issues.

However, measures to control the flow of speculative capital; the use of export controls to try and ensure fairer prices for minerals; a national energy investment strategy; borrowing restrictions to limit access to Australian loan capital by foreign companies; tha introduction of a resources rent tax; and establishment of a Hydrocarbon Corporation; these are all dear to Labor's heart.

What is more, Mr Hawke is settling in for a long stint. His election win in March was so anthoritative that the former Liberal-National Party power axis is temporarily ineffective. Moreover, Mr Hawke is soon to conduct a National Referendum that be bopes will approve his plan for fixed three-or four-year Parliamentary terms, instead of the present unfixed three-year terms.

Nor is concern over the selling of Australia confined to Labor party speechwriters and cbic academics. At lunch recently, I was told by a small (but successful) components manufacturer from Adelaide that Australia had not so much been raped as willingly undressed.

"Do you know what Australia is?" be asked, flicking a speck of lobster from his sports jacket and pointing to the wide blue Pacific: "A bloody big quarry for the benefit of them out there."

# UK COMPANY NEWS

## M. & S. climbs by £17.2m to £240m

A £14.6m increase in contribution from the UK side of its business belped pre-tax profits of Marks and Spencer, the high street stores group, to improve to £239.3m for the year to March 31 1983 on sales of £2,505.5m.

This represents e £17.2m improvement over the £222.1m reported for the previous 53 weeks and an advance from £136.1m to £146m in the second six months.

However, Lord Sieff, chairman, pointed out yesterday that, allowing for the extra week's trading last time, e more true comparison would mean e £35m reduction in 1981-82 sales of £2,198.7m and a £10m lower profit.

Stated yearly earnings per 25p share ere shown to have risen from 9.2p to 10.3p and on these the dividend total is lifted 10.9 per cent to 5.1p (4.6p) with e final payment of 3.25p net.

Of turnover, whieh excludes VAT and other sales taxes but includes direct exports of £27.8m (£26.5m), UK stores contributed £2,276.2m (£2,025.3m), European £64.4m (£43.6m) and Canedian £137.3m (£103.3m).

By division tbese broke down as to: clothing UK £1,198.9m (£1,106.9m), Europe £45m (£31.6m) and Canada £88.9m (£67.4m); homewear, footwear and accessories UK £206.6m (£165.4m), Europe £5.8m (£3.4m) and Canada general merchandise £33.3m (£25.6m): fcods UK £870.7m (£753m), Europe £13.6m (£8.6m) and Canada £15.1m (£10.3m). Total exports for the UK amounted to £67.8m (£58m).

Trading profits pushed ahead from £241.7m to £265.8m and the taxeble result was struck after interest payeble of £21.7m (£17.7m), depreciation of £30.3m (£22.7m) and a £4.6m (£4.2m) allocation to staff profit sharing scheme. It included interest receiveble of £27.8m (£23.6m), e £300,000 (£800,000) surplus on the sale of fixed assets and a £1.9m (£700,000) profit on the sale of gilts.

These adjustments made, the UK stores contributed £231m (£216.4m), European £3.7m (£3.1m) and Canadian £4.6m (£2.8m).

The results of the overseas subsidiaries have been consolidated using excbenge rates *ruling at March 31 1983. Because* of the weakness of sterling, comparisons are distorted, particularly in the case of Canada.

Expressed in local currency terms, European stores sales rose by 39.4 per cent and profits by 12 per cent, *while in Canada* turnover expanded by 11 per cent and profits finished 46 per cent higher.

The European profit was arrived et after deducting £397,000 (£474,000) and the Canadian £51,000 (£225,000) for pre-opening expenses.

Group tax for the yeer tcok £102.5m (£100.3m) giving a net profit of £136.8m (£121.8m) and, with minorities ebsorbing £1.6m (£1.1m), the attributable balance improved by £14.5m to £135.2m. Dividends cost £67.1m (£60.3m), and £68.1m (£60.4m) was retained.

Once again, the group's most profitable store was that at Marble Arch. Its turnover topped £100m and there has been e further big increase in tourist spending this year, says Lord Sieff.

He reports that one of the toughest sales areas last year was the West Midlands, but by contrast, despite high unemployment, the North East of England did well.

Overseas, the problem European stores are still having e bard time. However, there are some signs of an improvement. Five of the seven French stores *again lost money last year* but are now just beginning to break even. The position of the M. and S. division in Canada remained unsatisfactory but the other two Canadian divisions did well in 1982-83.

Breaking down the latest results in volume terms in the UK, clothing produced a 7 per cent increase in the first half and 8 per cent in the second, while the percentage comparisons between homeware and foods for the two halves were 25 and 22 and 10 and 12 respectively.

Taking the total business, the volume advance was 10 per cent at mid-term and 11 per cent for the remainder of the year.

Spending on new stores and other developments totalled £100m, higher by some £13m, increasing selling space to 8.25m sq ft and, spending a similar amount this year, a further 180,000 sq ft will be added.

Of trading so far in the current 12 months, Lord Sieff said yesterday that it had been fair, although not helped by unseasonal weather.

See Lex

### HIGHLIGHTS

Lex today looks at full year figures from Marks & Spencer where pre-tax profit was up £17.2m to £239.3m and volume continued to march aheed. Tbe column also considers the return to profit, witb £56m pre tax, by British Airways. Lex goes on to examine the contrasting results from the discount houses Gerrard & National wbere profit soared to £14.2m for the year to April and Smith St Anbyn which crawled back to the black with £1.4m from a £2½m loss. Further the defence document from Thomas Tilling, which predicts a 113 per cent increase in profits to £95m is discussed.

## Gerrard & National net profits up by £10m

A NEAR £10m increase from £4.31m to £14.21m in net profits after tax, minorities and transfer to inner reserves, is *reported* by Gerrard & National, discount house, for the year to April 5 1983.

The final dividend is hoisted from 10.75p to 14p for a 27 per cent increase from 15.75p to 20p net. Dividends absorb £2.99m (£2.37m).

A one-for-one scrip is proposed and Mr Gibbs says this *will be capitalised* from the whole of the amounts standing to the credit of the capital redemption reserve fund and the share premium account, and £1.77m from the general reserve to which £2m has been credited from inner reserves for the specific purpose of this capitalisation.

At the year-end, the *group's* disclosed shareholders' funds stood at £45.35m (£32.17m). Total assets, excluding bills subject to repurchase arrangements, amounted to £2.35bn (£1.58bn).

The balance sheet shows that bills discounted totalled £1.3bn (781.2m), including British Government Treasury bills £12.91m (£58.13m), local authority bills £16.25m (£29.07m) and commercial and other bills £1.27bn (£694.01m).

A comparatively smaller discount house, Smith St Aubyn (Holdings), has swung back with net profits of £1.42m for the year to April 5 1983, compared with previous losses of £2.75m. The final dividend is 2p (nil) for a total of 3.5p (4.5p) on increased capital.

The balance sheet totalled £420.27m (£363.34m), showing capital and published reserves £9.1m (£8.57m); loans and deposits £409.73m (£353.76m). Bills discounted totalled £308.24m (£301.35m), certificates of deposit were £63.58m (£14.31m), listed investments (gilts) £25.12m (£4.71m), (others) £10.05m (£10.56m)....

See Lex

## Turner & Newall confident of improvement

THE FIRST HALF of 1983 et Turner and Newall would sbow e substantial improvement, Sir Francis Tombs, chairman, told the annual meeting. However, be added that the results "bear the burden of remedial measuras" but he expected the secood half of 1983 would sbow a further improvement.

"The group was trading well within its borrowing facilities said Sir Francis.

Domestic business ectivity showed little sign of permanent improvement as yet, although the competitive level of the peund bed improved exports in some ereas. In the U.S. there were some signs of economic improvement wbicb Sir Francis boped would quickly be translated to the UK.

Although a number of measures hed beeo taken to restore the financial health of the group Sir Francis said it would be rash to make firm predictions about the outturn for the curreot year. He expected a further fall in borrowings accompanied later in the year by an increase in manufacturing efficiency, particularly in the UK companies.

The group's main priority had been the reduction in borrowing and present net bank borrowings for UK and overseas were £46m and £28m respectively. Adding mortgage debenture stocks of £18.5m, total group borrowings stood at £92m, e reduction of £57m since the year end. This produced a group gearing figure of 34 per cent (55 per cent at December 31 1982). These reductions had arisen mainly as e result of disposals but also by operational cash generation during a period when cash outflow is seasonally strong.

Overseas close ettention was being paid to unsatisfactory trading results in France, Spain and Italy, and it had been decided to close down the operation in Korea, although doing so involved a substantial loss.

## Cargo division loss cuts P&O profits by over £7m

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

Lord Inchcape, chairman of the Peninsular and Oriental Steam Navigation Company, gave little bope yesterday of a revival in *the group's shipping activities* in the current year.

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Group pre-tax profits fell to £33.55m in 1982, against £40.95m in 1981. The major factor in the decline was e £11.7m loss (£2.5m profit) in the wholly-owned deep sea cargo division. A loss of £3.3m (£0.4m profit) was made by *the agency services and storage division.*

The major profit earner was the "oil related" division—mainly oil trading—which made a profit of £11.2m (£10.6m).

Lord Inchcape commented: "The shipping industry slipped further in the worst recession since the 1930s and the economic setback in the U.S. hit our West Coast cruising operation harder than I had expected." He added that this "is starkly revealed in the heavy losses sustained by our deep sea cargo division and the redneed profitability of P & O Cruises."

The group sold 14 ships in 1982 under its policy of reducing cargo shipping operations by withdrawing from its last two liner trades—U.S./Arabian Gulf and UK/Mediterranean—and from the refrigerated trades operated jointly with the J. Lauritzen Group, of Denmark.

The loss on ship sales totalled £3.8m net, which was taken into extraordinary items totalling £19.6m (£14.79m). The other *major constituents* of the extraordinary items were the cost of withdrawing from certain trades, and redundancies.

Shipping interests now represent less than 50 per cent of P & O's total assets, against over 60 per cent in 1981. Ships sold this year to date total eight, and there will be more sales during the year.

Government compensation for the four P & O ships requisitioned during the Falklands crisis was described by P & O as "e fair settlement" which placed the groop in e positioo where it was no worse and no better off than if the ships had oot been requisitioned.

Lord Inchcape reported "some signs of revival in economic growth and increased demand for raw materials, but with the weight of surplus tonnage overhanging the market freight rates are likely to remain depressed."

Some improvement in demand for road transport in the UK is noted, and higher profits from this division are forecast for 1983.

The recommended final dividend for 1982 is 6p, giving an unchanged net total of 10p.

Stated earnings per £1 share dropped from 21p to 14p.

Group aggregate borrowings at year-end rose by £105m to £375m. Of the increase £76m was attributable to oil trading transactions outstanding, all of which bave now been completed profitably an dthe related borrowings unwound. A further £16m resulted from exchange differences during the year.

| | 1982 £000 | 1981 £000 |
|---|---|---|
| Revenue | 1,213,397 | 1,047,847 |
| Operating result | 75,250 | 78,737 |
| Net interest | *41,702 | *37,787 |
| Pre-tax profit | 33,548 | 40,950 |
| Deep sea cargo—owned | †11.7 | 2.5 |
| associates | 8.8 | 8.8 |
| Ferries | nil | †6.7 |
| Passenger | 2.9 | 8.9 |
| EuropeanTransport | 2.8 | 0.2 |
| Oil related | 11.2 | 10.6 |
| Banking | 5.0 | 8.7 |
| Agency services, storage | †3.3 | 0.4 |
| Bovis | 6.6 | 6.6 |
| P&O Property | 5.5 | 4.7 |
| Australia | 4.9 | 1.9 |
| Other overseas | 2.3 | 1.9 |
| | 35.9 | 42.8 |
| Expenses less other activities | *2.4 | *1.8 |

### ● comment

All of P & O's efforts to rednce its exposure to shipping were swamped last year by the high tide of recession. Even after further sales of 22 ships during the yeer, bringing the total down to 60, and the fleet to under 50 per cent of the group's gross assets, capacity remained heavily under utilised. Profits elsewhere, particularly in the oil tradiog business, belped to muffle the imuact of the £11.7m loss run up in deep sea activities, but the group was also hit by a savage downturn in its Californie cruise business. The 18 per cent pre-tax downturn was transformed into much worse figures below the line, where a bigher tax charge, larger extraordinaries and the disappearance of currency benefits virtually eliminated attributable profits and left the unchanged dividend dependent on a £13.5m transfer from reserves. With borrowings also up about £30m after eliminating short term—and now unwound—oil trading debt, capital gearing has advanced to well over 50 per ceot, but the groun expects to be cash positive this year, partly as e result of £40m worth of ship sales already booked. Trading recovery, however, is still under the cloud of shipping overcenacity, and the recent flurry in the shares on the strength of e world economic upswing looks premature—although there is plenty of support in the yield of 10 per cent et last night's price of 148p.

### DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corresponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| Central and Sheerwood | 0.3 | — | 0.55 | 0.3 | 1.05 |
| J. Folkes Hefo | 0.9 | — | 0.9 | 1.25 | 1.35 |
| Gerrard and National | 14 | June 10 | 10.75 | 20 | 15.75 |
| P .C. Henderson | 8† | July 1 | 7.25 | 12† | 10 |
| London Utd Inv | 6 | July 1 | 8 | 11 | 10 |
| Marks and Spencer | 3.25 | July 15 | 2.85 | 5.1 | 4.6 |
| Marshall's Universal | Nil | — | 0.1 | Nil | 0.1 |
| Milletts Leisure | 4 | July 21 | 4 | 8.95 | 6.95 |
| John Mowlem | 8.4 | July 1 | 7.63 | 10.5 | 9.63 |
| Nurdin and Peacock | 1.82 | July 8 | 1.58 | 3.12 | 2.7 |
| P and O Group | 8 | July 1 | 7 | 10 | 10 |
| Smith St Aubyn | 2† | June 16 | Nil | 8.5† | 4.5 |
| Warnford Invs | 7 | — | 6.5 | 12.5 | 12 |
| Wemyss Inv ...int | 7 | — | 7 | — | 20 |

Dividends shown pence per share net except where otherwise stated.
* Equivalant after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

## London United £4.9m rights

London United Investments, insurance holding company, is calling on shareholders for approximately £4.9m net of expenses by a rights issue on a one-for-three basis at 175p per share.

The proceeds of the issue will be applied in subscribing for new shares in its subsidiary, Walbrook Insurance Company, the major part of wbose busioess emanates from the U.S. where risks insured are for substantial corporations.

It is pointed out that the recent and growing trend is for these corporations to be advised by their brokers that the minimum net worth of non-U.S. insurance companies with which they place their business should be $20m.

The directors say, therefore, that it is important in order to evoid losing business for Walbrook to be capitalised in excess of this amount. They add that Walbrook enjoys a strong position as a lead underwriter in many classes of non-marine insurance.

The increase in its capital, together with the acquisition of Brightstone Estates, will result in its capital and free reserves being doubled to some £15.9m (approximately $25m).

The directors consider this will enable the company to maintain its existing portfolio of business and to benefit from business which is no longer being offered to lesser capitalised insurance companies, and to take a larger share of the business offered by H. S. Weavers (Underwriting) Agencies, also a subsidiary.

The increase in capital will also enable Walbrook "to pursue more aggressively" business emanating from areas outside the UK and U.S., the directors state.

The announcement of the rights issue coincided with London United Investments' results for 1982 which showed pre-tax profits at £4.32m, a 12.7 per cent advance on the figures of 1981. Turnover rose from £18.85m to £21.26m.

Earnings per share improved to 24.09p (20.1p) and the dividend rises by 1p to 11p net with a maintained final of 6p.

The directors consider it too early to forecast 1983's result but say trading so far has been "satisfactory."

The rights issue is of 2,940,640 new 20p shares—they will not rank for the announced final dividend. The issue is being underwritten by Lazard Brothers & Co and sub-underwriting is in progress.

Brokers to the issue and Cazenove & Co. Provisional allotment letters will be sent out on May 26. Dealings in the shares are expected to begin the following day.

Expenses of the issue are estimated et £240,000.

### ● comment

The market was more influenced by London United's rights issue than the group's 12.7 per cent advance to a new profits peak. It marked the shares down 12p from their earlier record level to 213p. The issue, which aims to improve the group's competitiveness in U.S. insurance markets, seems timely in view of uncertainties ebout its transetlantic prospects at the interim stage. With the rights issue and the transfer of the Brightstone property companies to Walbrook, the U.S. business will be capitalised well above the level now being demanded by U.S. brokers. The closure of Collis removes a long-standing burden. Rationalisation ettempts in the subsidiary had been costly and ineffective, while recession in its transport end vehicle manufacturing markets bad reduced demand for its products to precticaliy nil. On yesterday's share price, the fully taxed historic p/e is just under 9; undemanding in relation to the sector.

# UK COMPANY NEWS

## P. C. Henderson second half boost

AFTER A JUMP in second-half pre-tax profits at P. C. Henderson Group from £1.38m to £2.27m the full-year figure moved ahead by 58 per rent from £2.49m to £3.92m. The net final dividend is being lifted from 7.25p to 8p making an increased total of 12p on the enlarged capital against 10p previously.

A two-for-one scrip issue is also proposed.

Sales at £50m compare with £31.89m and include contributions from Normand and from County Doors, but not the recent acquisition, Continental Instruments Corporation (CIC). The directors point out that within existing business there was a modest but real increase in sales volume.

All divisions of the group made good progress in the year. PCH benefited from the increase in new house building and greater buoyancy in export markets, particularly towards the year end. The industrial door division capitalised on the launch of the new K60 insulated and Corol rolling shutter doors and performed strongly in unexciting markets.

Normand moved back into profits, closely in line with predictions made at the time of the acquisition, although trading in the latter part of the year was sluggish. The overseas subsidiaries had another excellent year, with New Zealand and South Africa making further gains.

A strongly positive cash flow was a significant feature and enabled the group to finish the year with gearing of 13 per cent after funding the cash part of the consideration for Normand, the cost of acquiring CIC (other than any additional consideration which may become payable) and a 75 per cent interest in County Doors.

In the current year the directors expect the group to benefit from the introduction of more new products, particularly in the security field, and from the consolidation of the trading of CIC, which they say has performed strongly since the start of the year.

Earnings per 25p share were shown as rising from 31.1p to 33.6p—this was a new peak, say the directors, and was reached on capital increased by about 50 per cent as part of the consideration for the Normand acquisition.

At the trading level profits increased from £2.61m to £4.54m from which increased exceptional debits took £384,000 against £49,000.

Tax amounted to £1.52m (£1.02m). After extraordinary debits of £116,000 (£92,000) and minorities added £45,000 available profits emerged higher at £2.33m compared with £1.38m.

### ● comment

Across the board improvements enabled P. C. Henderson to turn in better than expected figures. Even in its traditional markets the pick up in housing helped garage doors and sliding door gear, and market share gains aided industrial doors in tough conditions. Recover at Normand Electrical was according to budget but there were reshaping costs above and below the line and more work has to be done before this acquisition gives a realistic return on capital employed. Cash flow of near £2½m would have eliminated group borrowings had not the effect of initial funding of CIC been taken into the balance sheet. This U.S. company is a strong cash generator with margins around 30 per cent, and had £1m cash at the time of the takeover. With CIC's market of access control growing at 40 per cent a year it could add £¾m to group's 1983 pre-tax performance, without the push that Henderson hopes to give its product line outside the U.S. where benefits may not come through fully until next year. Also, there are hopes that new products, including entry to the £8m UK truck tallift market, will overcome any weaknesses in established products. The figures and outlook kept the company's shares steaming ahead yesterday, up 37p to 490p compared with 182p a year ago. The rerating puts it on an historic p/e near 19 which in part reflects the "higher tech" image.

### BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims:—Anglo Scottish Investment Trust, Barton Transport, T. Cowie, North Midland Construction, Royal Bank of Scotland, Sungei Bahru Rubber Estates.

Finals:—Altilund, Caparo, Dorena-kende Rubber Estates, European Ferries, Garnar Booth, Norman Hay, Sound Diffusion.

FUTURE DATES

Interims:—

| | |
|---|---|
| Anglo African Finance | May 6 |
| Arenson | †May 10 |
| Associated Paper Industries | May 10 |
| British Petroleum | June 2 |
| Cambrian and Gen. Securities | May 12 |
| Jessups | May 11 |
| Pentland Investment Trust | May 17 |

Finals:—

| | |
|---|---|
| Atkins Brothers (Hosiery) | June 7 |
| Belgrave (Blackheath) | May 10 |
| Boots | May 26 |
| Hartwells | May 18 |
| Outwich Investment Trust | May 9 |
| Smell (John C.) and Tidmas | May 16 |
| TR Natural Resources Inv. Tst | May 19 |
| VW | May 9 |
| Young Companies Invest. Trust | May 9 |

†Corrected

## J. Folkes Hefo £1m back in the black

ENGINEERING, industrial property and housing group John Folkes Hefo returned pre-tax profits of £1m for 1982, a swing of £1.73m on the £724,000 loss incurred for 1981.

Mr Constantine Folkes, the chairman, reveals, however, that the turnround was attributable to hard work and reductions in operating costs rather than to any significant improvement in the economy.

He points out that margins remained under relentless pressure throughout the year and warns that so far in 1983 the recession in the West Midlands remains deeply entrenched.

Nonetheless, the dividend for the past year is being held at 1.25p net per 5p share by a same-again final of 0.9p.

Turnover advanced from £63.02m to £65.41m and at the trading level profits emerged well ahead at £1.77m (£279,000) before taking account of reduced interest charges of £767,000, against £1m in 1981.

Tax took £306,000 (£220,000) and after extraordinary debits of £499,000 last time and same-again dividend payments of £601,000 there was a retained surplus of £95,000 (£2.04m deficit).

Earnings per share totalled 1.43p, compared with previous losses of 2p. Net asset value per share is given as 54.5p (54p).

A breakdown by division of pre-tax profits shows: industrial property £1.41m (£1.26m), engineering £345,000 loss (£2.16m loss), merchanting £151,000 (£10,000 loss) and housing £210,000 loss (£178,000 profit).

## British Airways recovers despite 4% fall in traffic

AN operating surplus up from £6m to £167m from its airline activities has helped to push British Airways back in the black. In the year to March 31 1983, pre-tax profits were £83m against losses of £100m. Subsidiaries also increased their operating surplus from £7m to £15m, and other income, including share of associates, was £21m against losses of £2m in the previous year.

The directors point out that volume of traffic fell by some 4 per cent but, as anticipated in the interim statement, this reduction occurred mainly in the Winter months. The effects were reflected throughout much of the network.

Higher fares and some hardening in yield per passenger kilometre, together with the effects of exchange rates—there were losses of £27m compared with £13m—led to an increase in turnover, however, from £1.86bn to £2.03bn.

While fuel prices fell in U.S. dollar terms in 1982-83, the cost in sterling was little changed because of the movement in US$/£ rate.

The directors add that many other costs continued to be reduced, of which staff numbers, down from 43,200 to 37,500, made the most significant contribution. The effect of these has brought about an increase in airline operating surplus, as mentioned. This was after depreciation but before interest.

The board points out that, although pleased with this much-improved surplus, it still remains well below that required to provide for replacement of aircraft, as well as to service the cost of capital.

Efforts, therefore, continue unabated to secure further improvement to the airline operating surplus in 1983-84. This will depend, however, to some extent on the downward trend in passenger traffic being arrested.

During the latter part of the year, International Aeradio, a 99 per cent owned subsidiary, was sold to Standard Telephone and Cables on terms which will realise some £60m in cash. The resulting profit is included in the extraordinary credit of £27m—there were extraordinary debits of £426m in the previous financial year.

After all charges, including interest of £120m (£111m) and tax £11m (£5m), British Airways has earned a surplus of £72m (£544m deficit), which will be transferred to reserves.

## Milletts reduced to £867,000

A REDUCTION in pre-tax profits from £915,000 to £867,000 has been shown by Milletts Leisure Shops for the year to the end of January 1983. Turnover of this leisure wear retailer moved ahead from £17.74m to £18.34m, excluding VAT.

Mr Alan Millett, chairman, says: "The first quarter of the current year has shown a distinct improvement in trading on the corresponding quarter of last year. Provided this trend continues, we can look forward to a better year in 1983."

There was a substantial improvement in the second half of the year says Mr Millett, with trading profits at £572,000, compared with £498,000 for the corresponding period. For the year trading profits were £1.15m (£1.42m).

The directors of this close company recommend an unchanged final dividend of 4p, maintaining the total at 6.95p. Earnings per 20p share are given as rising from 10.7p to 11.9p.

Mr Millett says the company has closed nine units whose contribution to profitability was considered unsatisfactory. Pre-tax profits included £661,000 (£588,000) profit on property transactions.

Stocks have been substantially reduced which has meant a significant reduction in bank overdraft. Interest charges fell from £559,000 to £411,000.

At the halfway stage, pre-tax profits picked up from £96,000 to £399,000 and the directors stated that they were looking forward to the second half as it normally contributed a major part of the profit for the year.

Pre-tax profits for the year were struck after depreciation of £548,000 (£513,000). Associate losses took £11,000.

Tax amounted to £248,000 (£361,000). After minorities this time of £13,000 and dividends the same-again at £312,000, the retained balance emerged slightly ahead from £242,000 to £294,000.

## Marshall's Universal recovers to £0.74m

DESPITE some slackening of recovery momentum in the second half, Marshall's Universal still finished 1982 with pre-tax profits £584,000 higher at £737,000, and is forecasting a significant increase at the trading level for the current 12 months.

However, set against this, dividend payments on both ordinary and preference shares have been passed.

The directors explain that group reserves, mainly overseas, are substantial, but dividends may only be paid from distributable profits of the parent company, whose results this year, largely affected by losses at a discontinued trading subsidiary, have given rise to an adverse balance of £340,000 in respect of distributable reserves.

This deficit must be recovered before dividends can be paid but, unable to approve the preference distribution due on June 30, the directors say they hope to be able to resume payment, together with arrears, when current year results are available.

For the period under review, turnover of the group, which has interests in motor vehicle distribution, accessories and components, and paper and paperboard products, fell from £51.92m to £49.48m. Trading profits nevertheless increased from £1.97m to £2.21m and a fall in interest charged from £1.73m to £1.38m more than offset higher redundancy and branch closure costs of £102,200 against £93,979.

A sharp jump in tax from £312,964 to £735,255 reversed this headway, leaving only a £2,004 net profit (£159,979 loss) and, with minority profits of £185,404 (£204,618), exchange losses of £73,686 (£176,785 profit) and extraordinary debits of £152,601 (£975,866 credits), the company found itself £389,687 in the red at the attributable level, compared with a profit of £788,054.

Of the year, the directors state that results were severely affected by trading losses of £405,000 at one of the group's UK component and accessory businesses. This was closed in January and a full provision of £360,000 for closure costs has been included in the extraordinary charges.

In Kenya, where principal overseas operations are situated, trading profits increased, but a 15 per cent currency devaluation early in December 1982 reduced profits achieved to that date.

At midterm, group profits were ahead from £210,000 to £524,000 but the directors report that the improved trading experienced in the UK was followed by deepening recession. This, together with closure and cutback costs, resulted in an overall full year UK trading loss, though at a much reduced level compared with the previous 12 months.

Since March the pattern of UK trading has enjoyed a distinct uplift, they say. The recovery has been most marked in the paper merchanting and motor distribution interests, but all the remaining companies have been trimmed to a level of efficiency where an increase in business would be quickly reflected in profits.

Subject to reasonable import licences being issued for vehicles in Kenya, and no major currency movements, the outlook for the group in East Africa is satisfactory, they add.

### ● comment

Marshall Universal are in the final stages of selling off the loss making component business which has held up payment of the preference dividend. Its disposal should mark the end of the company's painful redundancy and closure programme of the last three years. In 1982, all profits came from overseas. The UK businesses in motor accessories and paper and board, made a £750,000 loss but the board is hopeful that 1983 will see a return to profitability for the first time since 1979. Marshall's overseas business is in East Africa where it distributes vehicles and components. It managed to secure a price increase in Kenya in March to compensate for the 15 per cent devaluation of December. With the repatriation of some of its overseas reserves to the UK backed up by a possible return to profitability in the UK, the chances of a return to dividend payments at the end of 1983 look promising. The share ended unchanged at 52p.

# TIGER OATS AND NATIONAL MILLING COMPANY, LIMITED

*(Incorporated in the Republic of South Africa)*

**INTERIM STATEMENT OF RESULTS FOR THE SIX MONTHS ENDED 31st MARCH 1983**

GROUP INCOME STATEMENT

The unaudited consolidated results of Tiger Oats and National Milling Company Limited and its subsidiaries for the six months ended 31st March 1983, together with the audited results for seven months ended 30th September 1982 and a pro-rata portion of these results for comparative purposes are set out below:—

| | Six months ended 31st March 1983 (Unaudited) | Pro-rata Six months ended 30th Sept. 1982 | Increase/ (Decrease) | Seven months ended 30th Sept. 1982 (Audited) |
|---|---|---|---|---|
| | R000's | R000's | % | R000's |
| Turnover | 947 000 | 847 752 | 11.7 | 989 044 |
| Group operating profit | 62 835 | 56 495 | 11.2 | 65 911 |
| Dividends from investments | 4 058 | 6 221 | (34.8) | 7 258 |
| | 66 893 | 62 716 | 6.7 | 73 169 |
| Interest paid (net) | 10 860 | 7 834 | 36.9 | 8 256 |
| Group profit before taxation | 56 033 | 54 782 | 2.3 | 63 913 |
| Taxation | 20 339 | 21 334 | (4.7) | 24 890 |
| Group profit after taxation | 35 694 | 33 448 | 6.7 | 39 023 |
| Attributable to outside shareholders in subsidiaries | 5 730 | 4 778 | | 5 574 |
| Preference shareholders | 2 647 | 2 574 | | 3 003 |
| Ordinary shareholders in Tiger Oats and National Milling Company Limited | 27 317 | 26 096 | 4.7 | 30 446 |
| Non-trading items | (3 124) | (6 290) | | (7 339) |
| Attributable earnings after non-trading items | 24 193 | 18 806 | 22.1 | 23 107 |
| Number of shares upon which earnings per share is based (000's) | 13 507 | 13 455 | | 13 455 |
| Earnings per share (before non-trading items) | 202 | 194 | 4.1 | 226 |
| Dividend per share | 50 | | | 67 |

CONSOLIDATED BALANCE SHEET

The unaudited balance sheet at 31st March 1983, together with the audited balance sheet at 30th September 1982, is given below:—

| | 31 March 1983 R000's | 30 September 1982 R000's |
|---|---|---|
| **Capital employed** | | |
| Ordinary share capital and reserves | 295 370 | 277 700 |
| Preference share capital and premiums | 46 824 | 46 947 |
| Outside shareholders' interests | 55 263 | 52 071 |
| Total shareholders' interests | 397 457 | 376 718 |
| Deferred taxation | 23 995 | 20 530 |
| Long-term liabilities | 49 465 | 51 056 |
| | 470 917 | 448 304 |
| **Employment of capital** | | |
| Fixed assets | 316 527 | 294 859 |
| Investments | 91 670 | 99 301 |
| Current assets | 382 023 | 379 066 |
| Current liabilities — Interest bearing | (134 847) | (149 876) |
| — Other | (184 456) | (175 046) |
| | 470 817 | 448 304 |
| Lease commitments | 7 410 | 6 752 |
| Capital commitments | | |
| —Contracted | 27 740 | 22 020 |
| —Approved | 10 105 | 11 370 |
| | 37 845 | 33 390 |
| Ratios | | |
| Current assets to current liabilities | 1.20 | 1.17 |
| Total liabilities to total shareholders' funds | 0.93 | 1.00 |
| Total borrowings to total shareholders' funds | 0.46 | 0.53 |

COMMENTS

The financial year of the group's ultimate holding company, Barlow Rand Limited, ends on 30th September and, accordingly, the last audited financial statements covered the period of seven months ended on 30th September 1982. Shareholders are reminded that income does not accrue evenly during the year.

The net loss of R3.124 million on non-trading items comprises provision for diminution in the value of certain investments in associated companies and losses on translation of net assets of foreign subsidiaries, reduced by the surplus realised on the disposal of the group's investment in South African Breweries Limited and 49% of the share capital of Mageu Number One (Pty) Ltd.

The foregoing results do not embrace the operations of associated companies except to the extent of dividends received. In the case of associated companies, in which the group holds 30% to 50% of the equity, their turnover totalled R1 189 million for the six months ended 31st March 1983, an increase of 16.3% over the comparative period. If the retained income for the respective trading periods of these associated companies were taken into account, the above group earnings would amount to 232 cents per ordinary share, an increase of 5.3%.

GROUP STRUCTURE

During the period under review, the group's operational activities were rationalised on a divisional basis and it is also intended to simplify the formal statutory structure of the group.

PROPOSALS TO MINORITY SHAREHOLDERS IN UNITED OCEANA HOLDINGS LIMITED

The attention of shareholders is drawn to the announcement being made today by our merchant bankers in connection with these proposals.

PROSPECTS

Trading conditions have been difficult during the past six months. The official estimate of South Africa's maize crop for the 1983/84 season of only 4.3 million tons is a significant reduction from previous years and the group's milling and export divisions are likely to be adversely affected.

It is thus difficult to forecast earnings for the year but, in the absence of unforeseen circumstances, a final dividend of not less than 75 cents per share will be paid. As the present financial year is not comparable with the previous financial period the company has taken the unusual step of making a forecast of the final dividend.

On behalf of the Board
R. L. FRANKEL (Chairman)
R. A. NORTON (Vice-Chairman)
4th May, 1983

ORDINARY DIVIDEND NO. 77

Notice is hereby given that an interim ordinary dividend (No. 77) of 50 (fifty) cents per share has been declared payable to shareholders registered in the books of the company at the close of business on 20th May 1983.

Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 17th June, 1983 of the rand currency value of their dividends (less appropriate taxes).

The transfer books and registers of members will be closed from 21st May 1983 to 3rd June 1983, both days inclusive.

This dividend is declared in the currency of the Republic of South Africa and warrants in payment thereof will be posted to shareholders by the company's transfer secretaries in South Africa and the United Kingdom on or about 27th June 1983.

The effective rate of non-resident shareholders' tax is 14.520665%.

By order of the Board
B. P. STEELE, Secretary

Transfer Secretaries:
Consolidated Share Registrars Limited,
First Floor, Edura House,
40 Commissioner Street,
Johannesburg 2001
(P.O. Box 61051, Marshalltown 2107)
and
Charter Consolidated P.L.C.
P.O. Box 102, Charter House,
Park Street, Ashford,
Kent TN24 8EQ.

Registered Office:
15th Floor,
Wesbank House,
222 Smit Street,
Johannesburg 2001.

London Office:
40 Holborn Viaduct,
London EC1P 1AJ

4th May 1983

# BIDS AND DEALS

## Tilling predicts profits upsurge

BY RAY MAUGHAN

Thomas Tilling, the industrial holding company, yesterday ignited its smouldering resistance to the £600m offer from BTR with an official forecast which says that profits this year will recover and grow by 113 per cent to £95m.

The profits, which Tilling believes will be spearheaded by its building materials, industrial supplies operations and its distribution and consumer goods businesses, will contrast with the previous peak of £81.1m which the group earned before tax in 1979.

Profits last year slumped to £43.7m solely as a result of a major turnround to loss by its NWS oilfield supplies group which, in turn, stemmed from a sudden and costly build up of stocks. Tilling says that the £95m profit will not be achieved by a positive contribution from NWS, rather U.S. oilfield supplies will be no more than breaking even this time.

Tilling's mainstream operations, the group says, will retain their usual seasonality and the second half bias will be no less great this year.

The defence document was released tothe Stock Exchange last night probably too late to mak much mark on defence sentiment. Tilling's shares closed 1p down at 190p and it remains to be seen what effect the forecast 25 per cent dividend increase to 10p net per share, covered 2.2p times by historic earnings which will rise 149 per cent this year, will have on the market.

The profits projection appears to be right at the top end of most independent analysts' estimates for 1983 although a very strong recovery had been almost universally predicted.

Tilling's 1982 profits included a surplus of £8.7m on realisations from its gilt-edged portfolio. That included a £1m profit from the Cornhill insurance subsidiary last year; the forecast for 1983 includes a surplus of £8.4m from Cornhil's investment disposals.

The group said yesterday that it would be unwise to discount completely the possibility that it might float its U.S. operations, now accounting for some 40 per cent of total assets, on the U.S. stock markets despite the reverse at NWS.

The possibility that individual businesses such as InterMed could be floated in the U.S. has already been discussed although it may not be at the forefront of strategic, or defensive thinking.

## Davenports forecasts sharp profits increase

BY GARETH GRIFFITHS

DAVENPORTS BREWERY yesterday forecast a substantial increase in consolidated trading profits after interest for 1983-84 and 29 per cent increase for the current 12 months.

In its defence document against the third bid by Wolverhampton and Dudley Breweries, Davenports argues that "we have little doubt that our current growth prospects are considerably greater than those of W and DC."

Wolverhampton made its final offer on April 28. It provides that for every five Davenports ordinary shares there is an option of four W and DB shares and £4.75 in cash, or £15.75 in cash. The offer values Davenports at £25.9m and includes £6m in goodwill.

The Davenports defence document says profits for 1982-83 are sharply higher at around £2.1m and an 80 per cent dividend increase is forecast.

The board rejects Wolverhampton's arguments about the two breweries product ranges being complimentary and says the proposed takeover would result in the need to rationalise both products and processes with a consequent substantial loss of jobs.

Davenports says that price earnings multiples in small to medium sized independent brewing companies are traditionally high and that the "marginal increase in the exit price earnings multiple does not alter our view that the revised offer materially undervalues the potential of the company."

The latest Wolverhampton price for Davenports implies an exit p/e ratio of 25.9. The closing date for the bid's acceptance is May 10 and last night N. M. Rothschild, Wolverhampton's merchant bankers, said there was not enough detailed evidence in the document to justify the projection of increased profits for 1983-84.

The absence of any other bid for Davenports disproved the suggestion about the undervaluing, the merchant bank stated.

## Casino talks broken off

BY CHARLES BATCHELOR

Pleasurama and Grand Metropolitan have broken off talks aimed at a reshuffling of their casino interests after failing to agree on a price.

The two sides began discussions on April 22 in an attempt to avoid Pleasurama's £56m agreed bid for Trident Television running into monopoly objections.

Pleasurama and Grand Met own 25 and 75 per cent respectively of two London casinos, the Ritz and the Casanova Club, while Grand Met also holds nearly 30 per cent of Pleasurama's share capital.

One idea the two companies considered was for Pleasurama to take full control of the Casanova while transferring its quarter share in the much larger Ritz to Grand Met. Another was for Grand Met to buy Pleasurama out of both clubs.

County Bank, which was advising Pleasurama, described the talks as "amicable" but said: "We reached a position where we were wasting each other's time."

Both sides claimed that the other party was more concerned about the prospects of a referral of the Trident bid to the Monopolies and Mergers Commission.

A merger between Pleasurama and Trident would create a group with five casinos in London and 17 in the provinces. Grand Met's Mecca gaming arm has six clubs in London.

Grand Met's shares fell 6p to 337p yesterday. Pleasurama was unchanged at 310p.

## Air Call's Teledata stake

Air Call, USM telephone services company, has taken a 75 per cent stake in the privately-owned Teledata group, which provides a telephone answering service to advertisers.

Air Call will pay a cash sum to Teledata's two shareholders, Mr Terry Hudson and Mr David Brimble, for three-quarters of their shares and also provide working capital in a deal worth about £1m.

Mr Warren Tayler, managing director of Air Call, said this was its first substantial acquisition since coming to the USM in May 1980.

Air Call plans to regionalise Teledata's service through its own chain of 35 local offices and increase its computer capacity.

Teledata has a computerised call-answering centre in Colindale, North London which handles orders placed by telephone customers responding to advertisements placed by companies on television and in the press.

Air Call was originally part of the Associated Newspapers group, but became independent following a management buy-out by Mr Hudson and Mr Brimble. They will retain a 25 per cent stake and be responsible for marketing.

Air Call provides telephone answering, paging, car telephone and medical deputising services. The Shares fell 10p to 300p yesterday.

## Tring Hall plans demerger

Tring Hall Securities, issuing house and financial services company, which specialised in bringing companies to the Unlisted Securities Market, will today inform its 700 shareholders that it plans to demerge from the Commercial Development Finance Corporation (CDFC).

Tring joined forces with CDFC, a Luxembourg company headed by Mr Shakirulla Durrani, a former governor of the International Monetary Fund, last November. Mr Robin Eve, who took over as Tring's chairman last month from Mr Derrick Hanson, said yesterday that the demerger would be complete within three to six months. Tring would "obtain an early quote in its own right on the USM, while at the same time retaining the very real advantage of a continued close working relationship between CDFC and Tring."

Mr Eve said the decision to demerge was taken because the new group had failed to attract fresh overseas capital. Potential investors had been deterred by the fact that 40 per cent of Tring's portfolio was invested in the Luxembourg-based International Communications Technology group, a holding which had more than halved in value over the past year to £1m.

At the same time, it was felt that CDFC's concentration on project finance and Tring's interests in the USM were incompatible, said Mr Eve. Tring now intends to broaden its portfolio.

The move follows agitation by major shareholders who had accepted the terms of the all-share merger with CDFC and were becoming restive that growth promised by the merger had not materialised.

Mr Eve predicted that Tring would show a "substantial loss" in the year to March 1983, mainly due to the fall in the value of its 13 per cent stake in ICT, but that the company would return to profit in two years.

The letter to shareholders says: "Efforts are being made to reorganise the corporate structure and activities of the group into a co-ordinated profitable financing house."

### BAKER AGREES COMBRO OFFERS

The directors of Baker Electronics have agreed cash offers of 41p and 40p for each of its ordinary and non-participating convertible shares, respectively, from Combro.

Irrevocable undertaking have been received by Combro from Mr A. H. S. Baker, former chairman, the trustees of the Baker Retirement Benefit Scheme and Mr F. Stebbing, a non-executive director, to accept the offers in respect of 343,410 ordinary shares, and 800,000 non-participating, together amounting to 56.6 per cent of the Baker voting share capital.

The Baker board and its advisers, Earnshaw Haes and Sons, consider the terms fair and reasonable and directors unanimously recommend shareholders to accept.

### MANAGERS BUY DOTTRIDGE BROS

Dottridge Brothers, the funeral director, with numerous branches in the South East, is being bought out by its senior management, with the help of County Bank.

The company, valued at £1.5m, has an annual turnover of £3.4m.

The management team buying the company comprises Group Captain Anthony Dottridge, the present chairman and a great-grandson of the founder; Mr Victor Taylor, managing director and Mr Simon Strudwick, finance director. Together they are taking 75 per cent of the equity and County Bank, which has provided a term loan and is to continue as financial adviser to the company, is subscribing for the rest.

### BUY-OUT AT ROSE MORRIS

The directors and certain senior managers of Rose Morris and Co, the musical instrument importing and distributing subsidiary of Grampian Holdings have purchased all the issued shares of the company from Grampian, assisted by Industrial and Commercial Finance Corporation.

### ELECTRA RISK

Electra Risk Capital has subscribed for ordinary shares representing 45 per cent of the enlarged share capital of Portland Marine, formed three years ago to carry out pipeline construction and engineering of infield lines for the offshore oil industry and outfalls for the water industry.

Other institutional shareholders are Midland Bank Industrial Finance, RIT and Northern, and Bricomin Investments, a subsidiary of British & Commonwealth Shipping Company.

## Phelps Dodge in $50m sale

AMERICA'S Phelps Dodge, the second largest U.S. copper producer — after Kennecott which is controlled by British Petroleum via Standard Oil of Ohio— has reached agreement in principle to sell its telephone cable, antenna and broadcast products business for a price "somewhat in excess of" $50m (£31.6m) to a group of private and corporate investors.

The proposed sale is in line with Phelps' earlier stated intention of parting with assets not required for its basic business in order to improve its finances which have been strained by the weakness of the copper market.

Its corporate goals are stated to be the maintenance of the company's position as a leading low-cost producer of copper and the development, through diversification, of a broader earnings base.

### BRIT. NATIONAL

British National Insurance Group has announced British National Insurance Company's acquisition of The Parcels and General Assurance Association. This follows an earlier statement that British National was in negotiation with Norwich Winterthur Holdings.

The acquisition is part of British National Insurance Group's plans to diversify and expand insurance operations in the UK. Parcels and General is a specialist Marine and Transit Underwriting Company.

## Fitch Lovell sales to raise £41.4m

By Ray Maughan

Fitch Lovell, food retailing, wholesale and manufacturing group is to raise £41.4m from the sale of three operations. The board makes clear in the Class I circular issued to shareholders yesterday that the operations are no longer regarded as central to long term growth in distribution and manufacture.

The first of three businesses for sale is, as indicated last week, the Key Markets retail division which will be acquired by Safeway for £34.9m. The consideration contrasts with Key Market's net worth, inter company loans and amounts due by way of management charges and dividends accruing of £21.7m. That was an historic figure—the updated comparison is £26.5m which includes the surplus arising from a recent property revaluation.

Fitch Lovell has also contracted to sell 104 butchers shops trading under the West Gunner name. Union International, the Vestey subsidiary, will pay £4.05m for the shops and integrate them under the Dewhurst name.

The third business to be sold is the poultry division, a highly cyclical operation, which will be acquired by Favor Parker for an estimated £2.5m in cash, payable in instalments.

These disposals are seen as essential for the long term development of what is now a specialised food manufacturing and wholesaling business operating in good margin areas of the food industry. They will release well in excess of £20m in net cash which the group has already earmarked for the purchase of food manufacturing, frozen food and distribution companies. These will supplement the success it claims with Hedges, Jus-Rol, Millors, Robirch, Joseph Stocks and others.

This re-structuring is, however, contingent on the agreement of shareholders at an extraordinary meeting on May 20. Another contingency is a clean bill of health from the Office of Fair Trading.

The Monopolies Commission is about to deliver its verdict on a £75m merger proposed on an all-equity basis and referred last autumn for the whole of Fitch Lovell by competing food retailer, Linfood Holdings. The decision is thought likely to affect the level of opposition Linfood may be prepared to mount against the Key Market disposal to Safeway.

Linfood has been attempting to negotiate a possible purchase of Key Markets for itself, although it has been informed that, subject to the two conditions, Safeway has completed the deal satisfactorily.

Linfood was studying the circular last night to discover whether a suitable platform could be built for a higher offer for Key Markets. Fitch says that Key Markets made £3.5m against £4.69m in the year ended last month. The profits for the previous year had been swollen by property profits of £2.94m, against £2.25m, after reorganisation costs of £2.19m against £1.83m.





*COMPANY ANNOUNCEMENT*

# TIGER OATS AND NATIONAL MILLING COMPANY, LIMITED

("Tiger Oats")

## UNITED OCEANA HOLDINGS LIMITED

("Units")

(Both of which are incorporated in the Republic of South Africa)

**PROPOSALS BY TIGER OATS TO THE MINORITY SHAREHOLDERS OF UNITS**

Union Acceptances Limited and Standard Merchant Bank Limited are authorised to announce proposals to be made by Tiger Oats to the minority shareholders of Units. Tiger Oats is already the beneficial owner of 97.4% of the ordinary, 93.8% of the "A" ordinary and 56.8% of the 6% cumulative participating preference shares issued by Units. The effect of the proposals upon implementation will be to make Units a wholly owned subsidiary of Tiger Oats, whereupon the listings of Units shares on The Johannesburg Stock Exchange and The Stock Exchange, London, will be terminated.

**Proposals to the minority ordinary and "A" ordinary shareholders of Units**

Tiger Oats has decided that proposals should be placed before the holders of the ordinary and "A" ordinary shares issued by Units, and held by shareholders other than Tiger Oats, in terms of which those shareholders will receive cash as follows:

For every 100 ordinary shares held in Units : R500
For every 100 "A" ordinary shares held in Units : R500

In line with the practice of Units of not declaring interim ordinary dividends, no dividend will accrue to minority shareholders in respect of the current financial year on the ordinary and "A" ordinary shares concerned in the proposals.

Based on the relationship between the issued ordinary and "A" ordinary share capital of Units and the number of ordinary shares held by Units in Lamberts Bay Holdings Limited ("Lamberts Bay"), every 100 ordinary or "A" ordinary shares in Units is approximately equivalent to a holding of 81 ordinary shares in Lamberts Bay. In addition, taking account of the interim dividend and proposed return of 200 cents per ordinary share in cash to its shareholders by Lamberts Bay announced today, Units will have other net assets of approximately 153 cents per share. Accordingly, ordinary and "A" ordinary shareholders in Units will also be given an alternative election which will effectively represent:

Cash of R175 plus 81 ordinary shares in Lamberts Bay for every 100 ordinary or "A" ordinary shares in Units.

The minority shareholders of Units will thus be given the opportunity to convert, at no cost to them, their indirect holding in Lamberts Bay to a direct holding. Any such Lamberts Bay ordinary shares will not be entitled to the interim dividend or proposed return of cash to shareholders.

**Proposals to the minority 6% cumulative participating preference shareholders of Units**

Tiger Oats has decided that a proposal should be placed before the holders of the 6% cumulative participating preference shares issued by Units and held by shareholders other than Tiger Oats, in terms of which those shareholders will receive cash as follows:

For every 100 6% cumulative participating preference shares held in Units: R250

The dividend due on the participating preference shares in June 1983 will not be affected by the offer and will be declared and paid in the normal manner. No further dividend will accrue to minority preference shareholders on these shares.

**General**

Documentation for the implementation of the proposals by way of schemes of arrangement is being prepared and will be despatched as soon as possible.

The proposals have been considered by the directors of Units, who are of the opinion that they are fair and reasonable. Union Acceptances Limited, merchant bankers to Tiger Oats, and Standard Merchant Bank Limited, merchant bank advisers to the minority shareholders of Units, have considered the terms of the proposals and consider that they are fair and reasonable to the shareholders concerned.

The acquisition of the minority shareholding will not have a material effect on either the net asset value or earnings of Tiger Oats.

The shares of Units were suspended at the request of the company on 4 May 1983. The Johannesburg Stock Exchange and The Stock Exchange, London, have agreed to the reinstatement of the listing of Unit shares with effect from the commencement of trading on 5 May 1983.

Union Acceptances Limited
(Registered Merchant Bank)
A member of the Nedbank Group.

Standard Merchant Bank Limited
(Registered Merchant Bank)

5 May 1983

# UK COMPANY NEWS   MINING NEWS

## John Mowlem on target as profits reach £8.5m

SECOND-HALF pre-tax profits at John Mowlem and Co improved from £4.6m to £5.1m, and figures for 1982 as a whole were up from £7.8m to £8.5m.

Mr E. P. Beck, chairman of this construction group, says the year's profits are in line with the estimate published on March 18 1983 and that the group has had another successful year in the UK construction business.

He says it is participating strongly in the road building programme and in civil engineering generally. The building market is still competitive. In East Africa, trading conditions remain difficult.

Mowlem technology had a good year and its business has been broadened by the recent Buehler acquisition. Overall, the group's workload is £245m and stable. Despite the difficulty in forecasting, the directors view prospects with confidence.

Group turnover for the year rose by £22m to £293m. Tax was considerably higher at £2.9m (£1.4m). The final dividend is raised from 7.625p to 8.4p for a total of 10.5p net (9.625p), and stated earnings per 25p share were lower at 28.3p compared with 34.5p.

At the year end, ordinary shareholders' funds per share were 248p against 225p. On a CCA basis, pre-tax profits were £5.8m (£5.2m).

### ● comment

Mowlem's 9 per cent increase in pre-tax profits was no surprise, since it was foreshadowed in the March rights issue. What was more surprising was that the group managed to keep margins intact at a time when its markets have been under strain. The backbone of last year's advance was the UK building side, but inquiries have since tailed off slightly. The civil engineering market has picked up to compensate—albeit from a very low base—and Mowlem has around £30m worth of roadbuilding contracts under its belt. Margins overseas were unsatisfactory, says the company, due to indifferent trading conditions, payments problems, and hefty devaluations in East Africa. The associated companies only just broke even, but Australia should benefit in the current year from an increase in public works under the new Labor Government. In the UK, the key to 1983 is whether Mowlem can continue to maintain margins while the industry scrambles to take advantage of increased housing demand. With the help of the Buehler acquisition, £11m pre-tax looks possible this year. The shares rose 2p to 248p, where they stand on a prospective p/e of 11.5, slightly above the sector.

## Central & Sheerwood well down

THE MIDYEAR statement of Central and Sheerwood indicating that the exceptional problems affecting two of the group's major companies would be reflected further in the second six months, has been borne out.

The effect was that, after moving back into the black at midyear, the group incurred a second-half loss to finish the 1982 year with nominal pre-tax profits of £41,000, compared with 1981's restated £154,000.

Loss per 5p share widened from 0.64p to 1.04p and the dividend is being reduced from 1.05p to 0.3p net—the interim was omitted.

The results for 1982 were affected by substantial reorganisation and a reduction in stocks—all comparisons have been restated.

The directors say they are now confident that the necessary remedial measures have been taken and that they view 1983 with "cautious optimism."

They add that active consideration is being given to the group's liquidity position and steps are being taken to substantially reduce indebtedness.

Group turnover for 1982 was little changed at £94.05m (£94.79m) but trading profits edged ahead from £2.74m to £2.93m. A breakdown of these by division shows: engineering £3.76m (£2.23m), distribution £381,000 loss (£1.12m profit), printing and publishing £139,000 (£97,000 loss) and financial services £142,000 loss (£203,000 loss). Administration less other income took £437,000 (£289,000).

Below the line minorities took £47,000 (added £17,000) and after extraordinary debits of £1.28m (£627,000 credits) the attributable deficit emerged at £1.78m (£278,000 surplus)—extraordinary items included redundancy and closure costs of £1.63m, partly offset by profits on sales of property of £436,000.

The results for 1981 were restated to reflect additional provisions required relating to certain unforeseen expense items in an overseas operation of a subsidiary. The effect of the changes reduced the pre-tax figure for that year by £129,000.

### ● comment

Central & Sheerwood has had to cut back Newton Chambers to a fifth of its former size as world demand for dams and water locks dried up. It hopes that an extraordinary charge of £1.3m should staunch the losses once and for all. The rest of Central & Sheerwood's engineering division is much healthier with Ransomes & Rapier doing particularly well making cranes and draglines. Photopia which distributes photographic and electrical goods is Central's second major problem. It has cut back stock levels drastically in the face of fierce competition and there is little sign of an improvement in the market. Meanwhile, the main task of the board is to improve liquidity. With income gearing at 80 per cent, it will take a major asset disposal to make a noticeable dent in the company's debt—but no comment as to what might be up for sale. Central could make £750,000 in 1983 from its existing trading basis. Its share price down 1p to 11p is at a big discount to assets of 38.4p per 5p share and gives a market capitalisation of £7m.



## MIM continues to improve

BY GEORGE MILLING-STANLEY

THE GRADUAL improvement at Australia's MIM Holdings has continued during the company's third quarter, with net profits for the first 40 weeks of the financial year reaching A$14.8m (£8.1m).

This compares with a loss in the corresponding period of the previous year of A$20.4m, after an extraordinary loss on currency movements of A$6.4m.

MIM, with interests spanning the big base metal mine at Mount Isa in Queensland, as well as coal and uranium prospects, slipped into loss last year for the first time for almost 50 years.

Sir James Foots, chairman, pointed out that the latest encouraging result was achieved against a background of continued international economic recession. The good performance was mainly attributable to higher sales volumes of copper, zinc, silver, nickel and coal.

Weak prices for copper, lead, zinc and nickel were offset to some extent by an improvement in the silver price, Sir James said.

Beyond that, silver prices were accelerating towards the end of the period, and at the same time there was some strengthening in the copper price. Both of these factors were beginning to have a beneficial effect on the company's financial returns.

The main feature of the year so far has been an exceptionally high level of capital spending, as MIM has been taking advantage of the recession to plan its future expansion.

The total for the 40 weeks was A$69.6m, with the bulk of this figure going towards MIM's big coal developments and the expansion of the Mount Isa mine.

The Mount Isa expansion accounted for A$42.4m of the total, while the Newlands and Collinsville coal projects absorbed A$271.1m and the Oaky Creek coal project A$97.7m.

Spending on the coal projects includes significant amounts for rail, port and town infrastructure.

Oaky Creek is now in operation, with the first consignment being railed to the new Gladstone stockpile during the period. The first shipment was shipped on April 30 to Taranto, Italy, for delivery to Nuova Italsider, one of the joint venture partners.

MIM reports that construction and mine preparation work at Newlands and Collinsville is on schedule.

With reference to the Honeymoon uranium project, where the South Australian Government recently refused to grant a mining lease, Sir James says that the company is seeking compensation.

The joint venture partners, which include CSR, had spent some A$11m to bring the project to the stage where a pilot plant was ready to begin operations, as a prelude to commercial production.

The partners have also requested that the retention leases offered by the South Australian Government should carry minimal work commitments and nominal rental payments.

The South African Chamber of Mines and the Council of Mining Unions, which represents the white miners, have agreed on an 8 per cent rise in standard wage rates, effective from the current pay month.

In addition, the employer share of contributions to the mine employee pension fund is to be raised to 11.5 per cent from 10.5 per cent of pensionable emoluments.

Last year a threatened strike by the white miners was averted in July when both sides agreed on a compromise settlement of a 12 per cent wage increase plus a R200 (£116) bonus to compensate for the late implementation of the year's wage award.

The unions had originally demanded 15 per cent while the employers had offered 9 per cent. The agreement applied to gold and coal mines.

## Gold excitement lifts Sabina share price

THE RECENT excitement over Sabina Industries, the Canadian exploration company, which has seen the share price jump 58p over the last three trading days to a 1983 high of 95p, has prompted an announcement from the company.

Sabina has recently completed a programme of 16 diamond drill holes at its 60 per cent-owned McFinley property in the proven gold district of Red Lake, Ontario, four miles north of the Campbell Red Lake Mines operations.

The programme indicated a mineralised zone of 128,000 tons grading between four and eight grammes of gold per tonne, with 34 grammes of silver, over an average width of 9.2 ft to a depth of 350 ft.

Four of the recent holes were drilled to test a possible extension both laterally and at depth of this zone. All four intersected the target, and all four contained visible gold.

Assay results are not yet to hand, but Mr Bill Cummins, Sabina's president, says these will be released as soon as they are received by the company.

The excitement in the share price is almost certainly attributable to rumours of these four holes. Further reports are awaited with interest.

## Hampton Areas buys mine in Scotland

A MAJOR step forward in the profitable British coal mining activities of the UK-registered Hampton Gold Mining Areas natural resource group comes with the news that the company has acquired for £3.25m the Temple Farm coal mining business which operates some 10 miles south of Edinburgh.

This will now trade under the name of Blinkbonny Coal as a wholly-owned subsidiary of Hampton Areas, making the latter the biggest private underground coal miner in the UK. Blinkbonny is expected to contribute "significantly" to higher profits of Hampton Areas' UK coal division in the current year.

The existing Blinkbonny mine will continue to operate at an annual rate of some 35,000 tonnes of high grade bituminous coal from underground workings, a significant proportion of which will be sold to the domestic market.

It is also intended to develop the Policies underground mine in the same area to produce coal at an annual rate of a further 20,000 tonnes by the end of 1984. Both Blinkbonny and Policies have large reserves of coal and there is the possibility of expanding production in due course.

Meanwhile, Hampton Areas has also acquired several additional coal bearing properties in the Lothian coalfield which have future mining potential. Mr George Livingstone-Learmonth, managing director of Hampton Areas, said yesterday that he was confident of sales prospects despite the fall in world demand.

He pointed out that the latest acquisition fitted in with the company's stated aim to use the proceeds of the recent £17m rights issue to develop the group's interests in mining, oil and mineral-related activities.

## BPCC outlook

In his annual statement Mr Robert Maxwell, chairman of the British Printing and Communications Corporation, says the group will consolidate and improve its already strong profit recovery in 1983.

He adds that it plans to invest a further £33m within the next 12 months, having invested £67m since 1981—the group is 77.71 per cent owned by Pergamon Press.







### PRELIMINARY ANNOUNCEMENT
(Group Historical Cost Results)

| | 1982 | 1981 |
|---|---|---|
| *Dividends* | | |
| Ordinary Shares, proposed | 1.82p per share | 1.575p per share |
| (Payable on 8th July 1983 to shareholders on register at close of business on 8th June 1983) | | |
| Already paid | 1.3p per share | 1.125p per share |
| Making a total of | 3.12p per share | 2.7p per share |
| | 1982 £000 | 1981 £000 |
| Turnover | 462,502 | 400,345 |
| Profit before taxation | 11,324 | 10,087 |
| Taxation | 4,617 | 3,684 |
| Profit after taxation attributable to shareholders | 6,707 | 6,403 |
| Amounts absorbed (net of waivers) | | |
| (i) by Preference dividends paid and provided | 3 | 3 |
| (ii) by Ordinary dividends paid and proposed | 1,773 | 1,524 |
| | 1,776 | 1,527 |
| Earnings per share before taxation | 19.3p | 17.3p |
| Earnings per share after taxation | 11.4p | 11.0p |

Profit for 1982 is after setting aside an additional allocation of £110,000 into the Pension Fund (1981—£250,000), and providing £596,000 for the Staff Share Participation Scheme (1981—£531,000) and £176,000 for Branch relocation expenses (1981—Nil).
The results shown for the year 1981 have been extracted from the full accounts which received an unqualified auditors report and have been filed with the Registrar of Companies.

### STATEMENT BY THE CHAIRMAN

Mr. W. M. Peacock, M.A.

I am glad to be able to report again that both sales and profits for the year have broken new records and, as I did last year, I should like to start my report by giving the credit to those to whom it belongs.

The markets which we serve — Private Retailers and Caterers — have contracted severely due to the recession and pressure from the multiple chains, and it is only through the hard work and trading ability of our staff and the friendly relationships they have with customers and suppliers alike, that these results have come about. It gives me pleasure to have this opportunity of thanking them for all they do.

Sales of £462,502,000 have increased by £62,157,000 over the £400,345,000 achieved in the previous year. Profits of £11,324,000 before taxation compare with £10,087,000 the previous year. Profits after taxation are £6,707,000 compared with £6,403,000 in the previous year.

The directors are recommending a final dividend of 1.82p per share. This, together with the interim dividend of 1.3p per share already paid, makes a total of 3.12p per share and compares with 2.7p per share for 1981. I have waived the dividend on my own shareholding.

I am pleased to say that the sales increase was comfortably above inflation. The sales since the end of the year have continued this trend, but the battle for sales is such that margins are continually under pressure.

There is a great deal of concern now being expressed by manufacturers and many authorities about the effects of the rapid increase in multiple retail power on manufacturers' profitability, and on those least able to travel for their shopping, such as the elderly and infirm. As I have remarked before there is considerable evidence, borne out by a recent survey, of a desire by the public to buy more of the goods they need close to home; however, the excessive development of superstores in certain areas has led to extreme price cutting — often below cost — while they fight to build a viable turnover. This has led inevitably to many villages and other housing areas losing their local shops. Surely, when assessing whether the effects of competition are beneficial or not and the "interests of the consumers" are to be considered, it must be right to take into account all consumers and not just those with the time and mobility to search for the lowest prices?

I hope that the Authorities will take note of the present trends, which cannot be in the interests of a large number of consumers and, if nothing else, take this aspect into account when considering applications for further retail development.

Returning to our own activities, our new branch at Wimbledon, to replace Raynes Park, opened on 7th March, 1983 and has made a good start. There is a tremendous amount of work involved in replacements, such as this one and Medway (Rochester) — at present being stocked to replace Chatham — and I should like to record my thanks to the staff of those branches, and to all the helpers from our headquarters and other branches. They are truly great team efforts.

All being well, next year will see the opening of two new branches at Swansea (ground lease) and Keynsham (freehold). These will represent additional areas of 82,000 and 51,000 sq ft respectively. Extensions will be completed this year at Hanwell, Nottingham and Cardiff. We continue to look for sites for new and replacement branches.

Computer technology is racing ahead in all areas and deciding how far and how fast to go requires considerable judgment, both for N & P and for our customers. Our management services team is working hard to sift through the available systems, so that we can be in a position to help our customers make the right choice. I am glad to say that our own computer, which was causing us concern last year, has now settled down and we are beginning to derive the benefits we were looking for when we installed it.

Thanks to the increased net profit, the amount appropriated to the Trustees for the purchase of shares on behalf of the staff has risen to £596,000. I welcome the change announced in the Budget to increase the upper limit for Profit Related Share Schemes because, not only should this encourage more companies to introduce them, but it should also encourage single tier schemes to cover all staff, which I believe is just. A resolution was passed at the last AGM increasing the limit in our Scheme to £3,000 which, although below the limit proposed in the recent Budget, is adequate at present because of the formula for the allocation of shares that we adopted, which includes both earnings and years of service. I am pleased that the number of our staff who will be members of the Scheme after the current allocation will have risen to 1,511.

In addition to the senior appointments I announced in my Interim Statement, Mr Geoffrey Beer was appointed an Associate Director on the 14th January, 1983, taking over the responsibilities for Customer & Public Relations from Mr Reg Bevis, who retired on that date. Mr Bevis was with us for 25 years, during which time he was an important member of the team that has transformed N & P from the small private Company that it then was, involved primarily in provisions distribution.

Also, sadly, Mr Charles Wallis has decided that the time has come for him to retire following the AGM. Mr Wallis has been a non-executive Director for 34 years and during that long time has given us invaluable advice on many occasions. I am extremely grateful to both Charles Wallis and Reg Bevis for all they have done to help both the Company and myself.

Finally, I should like to thank our suppliers, both of goods and services, for all their help during the year. We receive a great deal of co-operation from many people and we do appreciate it.

Head Office: Bushey Road, Raynes Park, SW20 0JJ. Tel.: 01-946 9111

# UK COMPANY NEWS

Dominic Lawson looks at the underlying strengths of a Stock Exchange arrival

## Abingworth set for £60m price tag

LATER THIS month the British public will have an unusual *chance of investing in* venture capital with a strong U.S. bias, when a company called Abingworth goes public. The company intends to seek a full listing, and although details have yet to be finalised, the market price tag could be about £60m. Following the issue Abingworth will apply to be recognised by the Inland Revenue as an investment trust.

Abingworth was founded in 1973 by two directors of the now defunct stockbroking firm Joseph Sebag—The Hon Anthony Montagu and Mr Peter Dicks. They persuaded a number of City institutions to provide £3.5m of start-up finance, although Anthony Montagu (brother of RIT Investment chairman David Montagu) says: "Venture capital had a bad connotation in the City then, and was virtually unheard of in the UK."

Both Montagu and Dicks were the U.S. side of Sebag's business and their enthusiasms remain resolutely transatlantic, although Abingworth has no U.S. office. A map of Silicon Valley adorns the entrance of the company's office in St. James. More than 80 per cent of Abingworth's assets are U.S.-based.

Since 1974 the company' net asset value has risen almost eightfold. In the 1982 report and accounts the group's investments are valued at about £33.5m, although with many unlisted investments valued at cost price, that figure probably understates the group's size.

Abingworth describes its strategy as "taking long-term minority equity positions in private or small listed companies." However, the nature of the business is that Abingworth intends its "small" companies to become much larger. For example, Abingworth was in early on that classic U.S. venture capital triumph—Apple Computers. Abingworth acquired 640,000 shares four years ago at 28c each. Each share is now worth about $50.

As Anthony Montagu admits, "Apples don't come along often," but he points out that Abingworth has had other spectacular successes, such as the U.S. company *Standard Microsystems.* Abingworth went in at 50c per share eight years ago, and the shares are now worth about $23 each.

Although Abingworth's U.S. portfolio reads like an A to Z of Silicon Valley, both Montagu and Dicks insist that their strategy is to invest in people and proven management—not in boffins with a brilliant idea.

Mr Paul Ledeboer, chief consultant of *quoted venture capital* company Newmarket (1981) points out: "The people at Abingworth have been extremely successful and the U.S. is the kernel of their success. But unlike us they are not pure *venture capital. Their UK investments* show that they have taken positions in some established quoted company just because there's money to be made. We on the other hand will invest only in new technologies."

Abingworth takes in such UK quoted companies as Suter Electrical, Mining Supplies and Garfunkels which backs up Mr Ledeboer's claim. But Mr Peter Dicks insists: "We are genuine venture capitalists. We go in for nil interest equity deals. That's high risk, high reward." Despite the evident risks, only one of Abingworth's investments has ever found its way into the hands of receivers—and that was a UK retailer.

Abingworth's method of going public has one unusual feature in common with Newmarket's approach in 1981. No merchant bank is involved in the flotation, which Cazenove is handling in solitary grandeur. In Newmarket's case it was because the company was virtually a Cazenove creation. But Anthony Montagu insists, "We are very well known in the City, so we don't need a merchant bank to hold our hands and introduce us." Abingworth director Mr David Quysner—formerly with ICFC—gives another reason: "A number of merchant banks are among our shareholders, and we didn't want to cause any jealousy."

## Public Works Loan Board rates

Effective May 5

| Years | Quota loans repaid by EIP† | Quota loans repaid A‡ | Quota loans repaid at maturity§ | Non-quota loans A* repaid by EIP† | Non-quota loans A* repaid A‡ | Non-quota loans A* repaid at maturity§ |
|---|---|---|---|---|---|---|
| Up to 3 | 10¼ | 10½ | 10⅞ | 11¼ | 11⅜ | 11⅞ |
| Over 3, up to 4 | 10½ | 10⅝ | 11 | 11⅜ | 11½ | 11⅞ |
| Over 4, up to 5 | 10¾ | 10⅞ | 11⅛ | 11½ | 11⅝ | 11¾ |
| Over 5, up to 6 | 10⅞ | 11 | 11¼ | 11⅝ | 11¾ | 11¾ |
| Over 6, up to 7 | 11 | 11 | 11⅜ | 11¾ | 11⅞ | 11¾ |
| Over 7, up to 8 | 11⅛ | 11⅛ | 11⅜ | 11⅞ | 11⅞ | 11¾ |
| Over 8, up to 9 | 11⅛ | 11¼ | 11¼ | 11⅞ | 11⅞ | 11¾ |
| Over 9, up to 10 | 11¼ | 11¼ | 11⅜ | 12 | 11⅞ | 11⅝ |
| Over 10, up to 15 | 11⅛ | 11⅛ | 10⅞ | 11¾ | 11¾ | 11½ |
| Over 15, up to 25 | 11 | 10⅞ | 10⅝ | 11½ | 11½ | 11¼ |
| Over 25 | 10⅞ | 10¾ | 10½ | 11¼ | 11¼ | 11 |

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § *With half-yearly payments of interest only.*

## Nurdin & Peacock ahead to £11.3m: lifts dividend

A £62.16m jump in turnover to *£462.5m enabled cash and carry* wholesaler Nurdin and Peacock to attain record pre-tax profits of £11.32m for 1982, an improvement of £1.24m over the figures of the previous year.

The dividend is being stepped up by 0.42p to 3.12p net per 10p share by an increased final of 1.82p (1.575p).

Mr W. M. Peacock, the chairman, says the sales increase *was comfortably above inflation.* He adds that although this trend has continued since year-end the battle for sales is such that margins are continually under pressure.

It is pointed out that the markets served by the group have contracted severely due to the recession and pressure from multiple chains.

Mr Peacock comments that excessive development of super*stores in certain areas has* led to extreme price cutting, often below cost, while they fight to build a viable turnover.

Tax for 1982 took £4.62m, compared with £3.68m, leaving the available balance at £6.71m, against a previous £6.4m, equal to earnings per share of 11.4p (11p).

The group set aside an additional allocation of £110,000 (£250,000) into the pension *fund and provided* £596,000 (£531,000) for the staff share participation scheme and £176,000 (nil) for branch relocation expenses.

The new branch at Wimbledon, which replaces Raynes Park, opened in March and has made a good start. Medway (Rochester) is at present being stocked to replace Chatham.

Next year the group will open two new branches at Swansea and Keynsham. These *will represent additional* areas of 82,000 and 81,000 sq ft respectively. Extensions will be completed this year at Hanwell, Nottingham and Cardiff.

Allowing for current cost adjustments pre-tax profits for 1982 emerged at £10.01m (£7.82m) and on the same basis earnings per share were 9.18p (7.08p).

### ● comment

*Nurdin and Peacock's results* were at the upper end of market expectations. But clearly with pre-tax profits up 12.3 per cent, helped by income on the large cash pile, the froth is going out of expansion that reached 30 per cent in the late 1970s. The formula remains the same but the environment is changing. Though a tight rein on costs and a steadily increasing floor space should keep profits moving ahead, the battle for higher throughput at existing branches is taking place at the street corners where the small shops struggle against the multiples and are enticed by Nurdin's troubled competitors seeking to *grab market share* by sacrificing margines. Service may sustain customer loyalty but growth here will have to be more from educating shopkeepers on the benefits of cash and carry. Floorspace will be increased by approaching 5 per cent this year and there is plenty of virgin territory to be exploited but rewards for pioneering look less inviting. Nevertheless the company is obviously determined to remain focussed on its single activity busines even if the route is uphill. Yesterday shares slipped 2p to 174p leaving the historic fully taxed p/e on what is now looking a very ambitious 18.6.

## Warnford Investments at £3.84m

Pre-tax profits of Warnford Investments advanced from £3.31m to £3.84m for the year anded December 25 1982 and the dividend is being lifted by 0.5p to 12.5p by an increased final of 7p.

Turnover *rose to £4.49m,* compared with £4.08m.

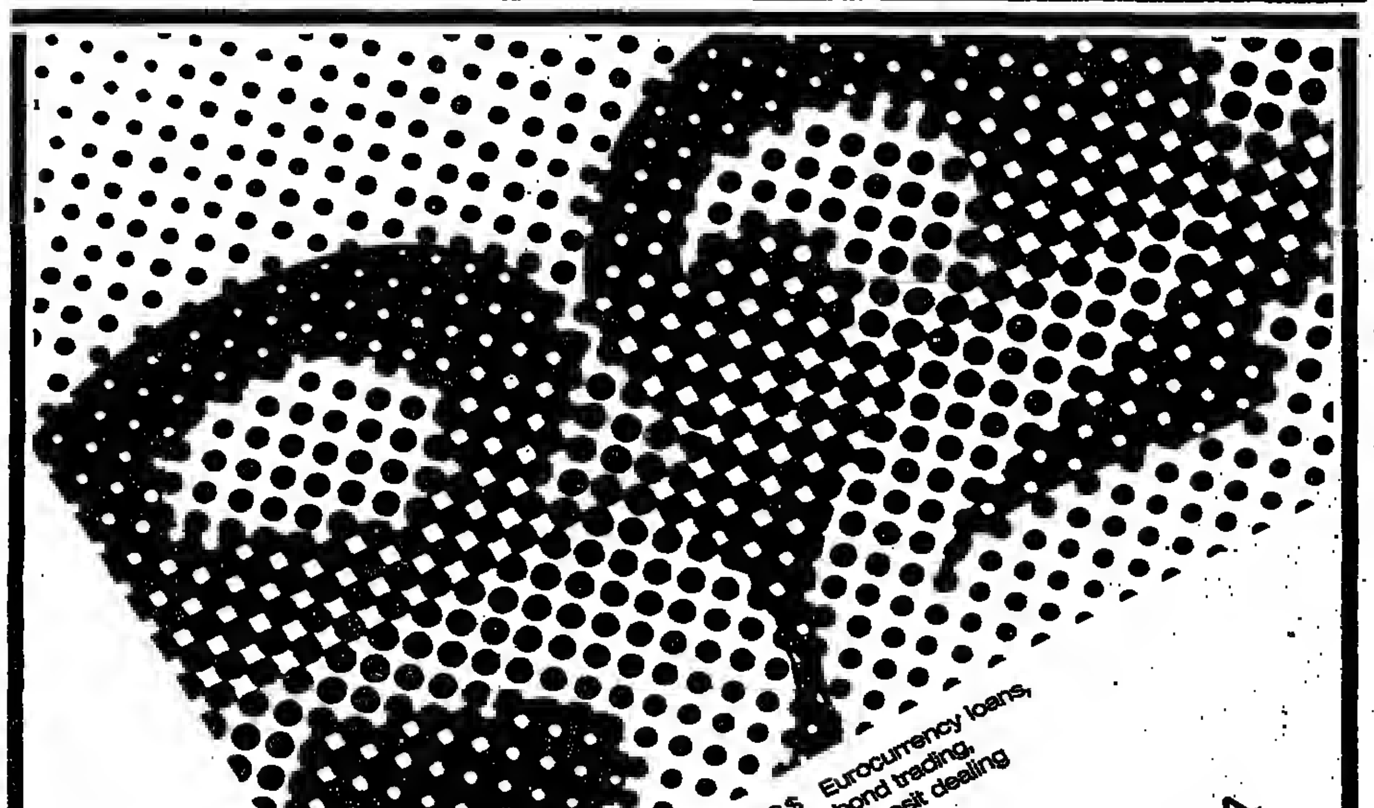
Attributable profits came through at £2.09m (£2.29m) after tax of £1.74m (£1.03m) for earning per 20p share of this close company at 21.78p (23.8p).

Based on an open market value as at year-end the group's investment properties were worth *£43.48m.* No allowance was made for the expenses or tax which would arise if the properties were sold.

### New Zealand issue

The New Zealand issue of £100m 11¼ per cent stock 2008 was more than three times oversubscribed and began trading at £30 per cent part paid deferred settlement form at a £¼ to £½ premium. Applications for £600,000 are to be 17.1 per cent allotted.





# JOBS COLUMN

# Perpetual motio . . . • Redundancies increase

BY MICHAEL DIXON

FINGERS are firmly crossed in the U.S. offices of a certain headhunter—Jim Lotz of International Management Advisors. For the next few days may tell whether he has chanced upon a profitable recruitment version of perpetual motion.

In December 1980, I learn from the U.S. Executive Recruiter News, the president of a big company asked Mr Lotz to find s new engineering vice-president for the group. The headhunter was naturally nleased when, in the following March, the candidate ha had put forward was appointed with a guarantee of a year's job security.

Nine months passed.

Then the company's president made another call to Mr Lotz to comolain that the engineering chief he had found had proved a dud. A few weeks later he heard that the new vice-president was to leave at the end of the guaranteed vear, which still had a couple of months to run. The headhunter naturally felt depressed.

But in the event it was not the engineer who left as the guarantee expired. Instead the company president was fired and the vice-president was not only kept but given the top job. The headhunter felt pleased once more.

His pleasure increased when he was swiftly asked by the new president to find his successor as engineering vice-president, and increased still more when the replacement he put forward was appointed on similar terms last July.

Nine months have almost passed again. . . .

## Dark side

WITH MSL's index of advertised demand for UK executives at its highest for a decade and perhaps poised to go on to a 14-year record, it may seem curmudgeonly to revert to the sad topic of executive unemployment. But while as keen as anyone to look on the bright side I felt it only sensible to check whether beneath the rising demand, certain wise words remain true. They are:

"Unto every one that hath shall be given . . . but from him that bath not shall be taken away even that which he bath."

Checking trends of unemployment among managers and other skilled staff has been made far harder than it used to be when people wishing to draw unemployment benefits were obliged to register themselves as job-seekers with the State employment services.

Before that obligation was abolished last autumn, tha Government-sponsored Professional and Executive Recruitment agency was able to keep comprehensive monthly tallies of the number and types of bigher-grade staff out of work. Now the only measure available is far more sketchy. It is limited to the people who ask to receive PER's periodical lists of job openings.

| | Experienced staff counted as unemployed on: 4/1/83 | 6/4/83 | % change |
|---|---|---|---|
| Data processing and management services | 3,517 | 3,462 | −1.6 |
| Biologists | 948 | 941 | −0.7 |
| Estimating, work study and statistics | 2,756 | 2,744 | −0.4 |
| Departmental managers other than production | 21,472 | 21,400 | −0.3 |
| Accounting staff | 4,280 | 4,277 | −0.1 |
| Electronic engineers | 1,209 | 1,227 | +1.5 |
| Chemists, physicists, etc. | 2,030 | 2,064 | +1.7 |
| Marketing and sales | 14,801 | 15,201 | +2.7 |
| Personnel | 2,154 | 2,220 | +3.1 |
| Other engineers | 8,617 | 8,996 | +4.4 |
| Purchasing | 2,029 | 2,135 | +5.2 |
| Production managers | 5.161 | 5,472 | +6.0 |
| Draughtsmen and other technical support | 9,074 | 9,710 | +7.0 |
| Total | 78,048 | 79,849 | +2.3 |

There are two such listings. One is specifically for people leaving higher education or otherwise trying to enter the higher end of the employment market for the first time. Tha other is aimed at peopla with previous experience in the work they seek. What follows is concerned exclusively with the experienced job-hunters.

In September, when registration with PER was a prerequirement for drawing benefit, they numbered 152,532. By January, when only those volunteering to receiva the lists were counted, the number had fallen to 104,257. By the most recent count available, made on April 6, the total was down to 97,500 or so.

But a close look at the figures suggests that whila the numbers wanting the lists bave dropped overall, they have done so more markedly in some job categories than in others.

The disproporationate falls are among kinds of staff who might be expected to find their own professional-type journals a more fruitful bunting ground than PER'S lists. One exampla is jobless teachers. From 27,334 in September their number dropped to 11,785 in January and again to only 6,140 last month. And there are several other categories showing falls which although less spectacular are still disproportionate.

Excluding those, I am left with 13 broad categories which have moved in line with the overall trend. Their various movements over the four months between the January and the April counts are shown in the tabla alongside.

Given that the count now automatically ignores anyone who despairs of finding work through PER's lists and discontinues them, the figures in the tabla persuade me that despite the improvement in MSL's index of demand by employers, unemployment among managers and higher-grade specialists is still increasing.

Unlike the "wicked and slothful servant" mainly denoted by the words I quoted earlier from St Matthew's Gospel—who just buried the talent he bad been given—those jobless people are mostly anxious to put their abilities to work again. But there is a disquieting suggestion in the fact that the table's categories showing the largest rises are associated with older industries or work where people are otherwise being superseded by technological advance. It is that their prospects of re-employmant will depend increasingly on their acquiring new skills.

Although they are not numerous enough for their votes to count much in the next general election, it is surely important that the political parties offer something effective to help them. And that is most unlikely to result from fluffy promises, such as those of the Labour Party, greatly to increase spending on some generalised "education and training."

The politicians ought to stop peddling dreams and start tackling real problems. A prime one is how to provide adults with retraining which really gives them economically productive skills instead of serving largely as an excuse for going on employing lecturers

## Senior hunter

RECRUITER Richard Robinson of Forbes Schroder (Arndale House, Otley Road, Leeds LS6 2UU; tel. 0532 789195) seeks someone to develop senior-executive recruitment in another consultancy now concentrating on lower managerial levels. Unable to name his client, he promises confidential treatment to applicants.

Candidates must be successful in developing consultancy business in recruitment for jobs paying £17,000 upwards.

Earnings indicator £25,000-plus. Equity share possible. Base London.

# Marketing Director Europe

**c. £25k plus car and benefits** **London Area**

A large manufacturing company within a London-based group invites applications for the important new position of Marketing Director Europe. The company has recently developed a revised organisation structure designed to ensure success in a vigorous programme of market penetration covering the whole of Western Europe.

The position reports to the Managing Director and covers the full normal range of sales and marketing functions in a large manufacturing concern. A major part of the task will be to activate and lead a Europe-wide sales and marketing effort, using the resources available in a number of European facilities within the structure of the company. Experience in a consumer-orientated environment could be appropriate, although time spent in industrial marketing would not rule out otherwise suitable candidates. The job calls for an individual of considerable stature, with a track record which includes at least ten years of successful experience in a senior position which covers responsibility for marketing. General management exposure would be an added advantage. Qualification to university degree level is essential, and French and/or German language ability would be very helpful. The preferred age range is 35-45.

The position carries the full range of normal large company benefits associated with a job at this level, and prospects for further career development within the group are extremely bright. Please send a C.V. in confidence to the address below, indicating any companies to which you would not wish your details to be sent.

Gordon F. Vivian, Managing Director (Ref: 380),
Hemingway Recruitment Associates Limited,
148 Fleet Street,
London EC4 2JP.

HRA
Hemingway Recruitment Associates Limited
London · Midlands · North

# Fund Manager

**US Equities** **Up to £18,000**

We are seeking e fund manager to join our successful international investment team based in Central London.

Applicants should ba graduates with at least two years' expariance of investment enalysia or portfolio managamant of US Equities.

The successful candidate will work as part of a team which is responsible for the North Amarican investments of ell funds under management end will be expected to traval in order to maintain end develop contacts in the North Amarican market. Good communicative skills and the ability to generate imaginativa ideas are essential.

Contributions to satting overall policy for our international portfolios will be expected end in thie respect an economics background is considered to be en adventage.

Remuneration by way of salary and benefits will reflect both the importance of tha position and the experience of tha successful applicant. The additional banefits include a low cost mortgaga and e non-contributory pension scheme.

Pleasa write with a detailed C.V. to:
Alistair Turner, Personnel Executive,
Prudential Assurance Company Ltd.,
142 Holborn Bars, London EC1N 2NH.
Tel: 01-405 9222 ext. 2125.

Prudential

# Banking Partner

**City** **up to £40,000**

For a firm of City solicitors with over 20 partners and a strong commercial practice.

Your role will be to develop the banking side of the practice which is well established but has outstanding potential for growth.

You should be at or near partner level in a major firm of solicitors or a senior lawyer with an international bank. Probably in your 30s, you must have a first class record in banking and finance matters.

Please telephone or write in confidence to John Cameron, quoting ref. C129, at 10 Bolt Court, London EC4 (01-583 3911).

Chetwynd Streets
Management Selection Limited

# Financial Evaluation and Innovation

**West Midlands**

Our client is a major UK group with extensive manufacturing and sales operations. Continual review and assessment of its market position has created openings for two finance specialists.

## Credit Management Manager

Candidates will be of graduate status or equivalent and able to demonstrate a proven track record in all aspects of credit management, ideally in a retail/manufacturing environment. Principal areas of responsibility will include:–

- ★ The creation and implementation of customer credit policies and procedures.
- ★ The identification and subsequent correction of potential and actual credit problems.
- ★ Reporting to senior management on debtors, credit policy and worthiness.
- ★ On-going customer liaison.

## Finance Programmes Co-ordinator

Candidates will be of graduate status or equivalent and although not necessarily holding a formal accounting qualification will have gained similar experience in a large company environment. Duties will include the following:–

- ★ The development and implementation of finance schemes to improve UK sales and representation.
- ★ The review of finance programmes to achieve optimum cost efficiency.
- ★ The review of budgets, campaign effectiveness and pricing policies.
- ★ Liaison with external bodies to gain maximum exposure, promotion and credit facilities.

These positions demand considerable personal presence and strong communicative abilities and there are excellent general and senior management prospects within the group. An attractive salary package, including the provision of e company car and generous relocation, is available in both cases. Candidates should contact **Terry Benson**, Manager, on **021-643 6255** or write to him at **24 Bennetts Hill, Birmingham B2 5QP.**

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Glasgow

# Financial Public Relations

Streets Financial provides financial public relations consultancy to more than 100 British and overseas companies. It is also frequently called in for specialist advice in contested bids and on new issues.

An opportunity now exists for an additional executive on our consultancy team which already includes people professionally qualified in accountancy and chartered surveying and others with experience in merchant banking, stock-broking and financial journalism.

The successful candidate will be someone seeking wider horizons, perhaps after gaining experience in related but narrower fields. Because this job requires maturity it will not be satisfying to anyone below the age of 27, but it is unlikely to appeal to anyone over 40.

An existing knowledge of public relations techniques is not essential, but the following attributes are: knowing how the City works; self-confidence and a liking for people; the ability to think and work fast under pressure.

In comparison with other City disciplines, financial public relations is still in its youth. However, it is on a strong growth tack so opportunities to hold down major responsibilities and for early promotion are greater. The rewards are fully in line with the responsibilities held.

Streets Financial

Apply in writing to Alastair Campbell-Harris, Streets Financial Limited, Advertising and Public Relations, 18 Red Lion Court, Fleet Street, London EC4A 3HT.

# Deputy Secretary

co op

**Co-operative Wholesale Society Limited**
**Manchester · around £18,000**

The Society is manufacturer, wholesaler, retailer and provider of services to the Co-operative Movement. It supplies goods and services worth £2,000 million a year and employs over 20,000 people.
The Deputy Secretary – a new appointment – will control a number of HQ administrative functions and employees, will serve as Secretary of certain CWS subsidiaries and will be expecled to contribute actively to the management of the Society and to the development and representation of its views.
The challenge is managerial, professional and intellectual: success will earn recognition and wider opportunities.

Candidates, male or female, should be Chartered Secretaries or lawyers or qualified accountants, preferably graduates in their early/middle 30s. In addition to professional expertise they must be able to demonstrate management experience in organisations of scale and diversity in commerce or industry.
Salary negotiable around £18,000; benefits include re-location assistance.

Please write – in confidence – with full career details to
D. A. Ravenscroft,
Bull, Holmes (Management) Limited,
20 Albert Square,
Manchester M2 5PE.

Bull Holmes
PERSONNEL ADVISERS

# BANQUE BELGE LIMITED

A Subsidiary of
Société Générale de Banque S.A.
Generale Bankmaatschappij N.V.

The continuing expansion of the foreign exchange department has created the following vacancies:

## FOREIGN EXCHANGE DEALERS

We wish to recruit three exceptional individuals, in their mid-twenties, with a minimum of three years' active dealing experience. The positions complement an existing professional team and offer the opportunity for the ideal candidates to develop their careers to management level.

Salaries will be negotiable and accompanied by the usual comprehensive package of fringe benefits.

Applications together with C.V. should be made in strict confidence to:
Mr. P. N. Harris, Staff Manager,
Banque Belge Limited, 4 Bishopsgate,
London EC2N 4AD.

# Pensions Analyst

**Opportunity to play a significant role within a leading international oil company**

Marathon is an internationally successful US oil company and one of the fastest growing operators in the North Sea. Our continuing programme of expansion has created a vacancy for an experienced professional to join our Compensation and Benefits team taking responsibility for co-ordinating our Pension Scheme as well as for keeping an overview of our total Benefits Structure.

The prime task will be to assist in the review of our Pension Schema — a task already begun — and the provision of in-house expertise in representing the company's and employees' interests in its long term operation.

A mature and meticulous person is required for this position. You will be responsible for ensuring that accurate and detailed records are maintained and up-dated and that management information is provided as necessary. Liaison with management internally and with outside consultants, actuaries, OPB etc., will be necessary and the job holder will be required to advise on the effects of new legislation and/or developments in tha area of pensions.

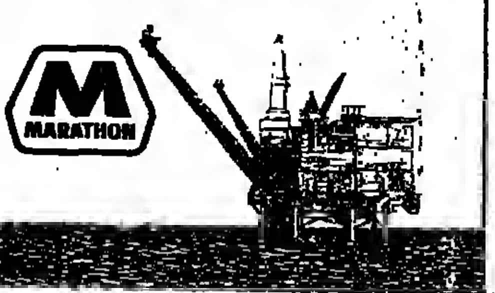
In addition you will assume responsibility for the company's insured benafits structure — ensuring it remains competitive and cost-effective.

This is an opportunity for an individual with a proven track record in a directly comparable position, probably aged 35+, to join a company wishing to develop a solid foundation for its future stability.

We are offering a competitive salary and an excellent benefits package including a non-contributory pension scheme.

Please write with full personal and career details, or telephone for an application form to: David Payne, Recruitment Co-ordinator, Marathon International Petroleum (GB) Ltd., Marathon House, 174 Marylebone Road, London NW1 5AT. Tel: 01-486 0222.

MARATHON



# GILT SPECIALIST:

## RELOCATING LIFE OFFICE

We are a leading Australian Life Office and bave a vacancy for a Gilt Specialist. Our gilt fund totals approximately £70 million. The ideal candidate should have a suitable degree, be aged 27-32, with at least two years' gilts experience (preferably witb additional analytical experience). He/she will report to the Manager Stocks and Shares and, depending on experience, personal qualities etc., will be given fund management responsibilities. We are particularly looking for cendidates who are promotable to more senior investment positions.

It is planned that the office will relocate to the Poole area in Dorset. The successful candidate will be expected to move to Poole and relocation assistance will be given.

Salary is negotiable according to experience, age, qualifications etc. Fringe benefits associated with a life office will apply.

*Please write for application to:*

**Mr. M. J. Cummings, Personnel Manager,**
**The National Mutual Life Association of Australasia Ltd.,**
**Austral House,**
**Basinghall Avenue,**
**London EC2V 5EP.**

# THE KENNEL CLUB

## SECRETARY TO THE KENNEL CLUB

The Kennel Club, located in Central London, is seeking a Secretary (Senior Executive). The person appointed will be responsible to the General Committee for the management of the affairs of the Club, which is a sizeable business concerned with all aspects of canine affairs in the U.K. and a social club.

The applicant must have considerable administrative experience and an understanding of finance and legal matters. Management of the staff and public relations comprise a significant aspect of the job. The salary is negotiable.

Aplications in confidence with a full c.v. to The Chairman, The Kennel Club, 1 Clarges Street, Piccadilly, London W1Y 8AB.

# Chief Executive

**ENGINEERING GROUP**

*Midlands* c. £30,000 + car

Our client is an established end profitable public company with UK end overseas subsidienes, manufecturing end selling a ranga of angineering products. Turnover is in excess of £20m p.a.

The successful candidate for this newly created post will

- be eged late thirties to early fifties
- have had full responsibility for a medium sized engineering company
- be able to damonstrate success in improving profitability in competitive market conditions
- be able to provide effectiva control and direction in the areas of manufacturing, finance, administration, policy formulation end business development.

Benefits includa car, pension scheme and relocation expenses as necessary.

*Men and women are invited to write in confidence giving career details, age and current salary. Pleasa include your telephone number and quote 4221FT on envelope and letter.*

urwick Urwick, Orr & Partners Limited
MANAGEMENT AND SELECTION CONSULTANTS
Baylis House, Stoke Poges Lane, Slough SL1 3PF

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**Attractive remuneration and prospects**

Experienced personal assistant required by partners in a small but expanding firm in the North West. Must be competent to handle portfolios and talk to and deal for clients.

*Please write giving details of experience and salary expected to Box A8205, Financial Times, 10 Cannon Street, London, EC4P 4BY.*

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Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

CJRA

## DIRECTOR FINANCIAL PROGRAMS

We are a diversified fortune 500 company in search of a Financial Co-ordinator for our extensive African operations. The successful candidate would be a university graduate with a few years' of international banking and counter trade experience. Full knowledge of foreign exchange and trade relations in the developing world are essential. The job calls for an individual who can co-ordinate and structure creative financing techniques and assemble corporate structures within Africa. The individual must be willing to spend the majority of his time travelling extensively throughout the territory. This position reports to our Regional V.P. and is headquartered in Rome. The salary will be commensurate with experience. Applications in strict confidence under reference OFP14747/FT will be forwarded unopened to our Client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager.

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED,
*35 NEW BROAD STREET, LONDON EC2M 1NH.*

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## INVESTMENT MANAGEMENT
## DEVELOP YOUR MARKETING SKILLS

You are in your late 20's or early 30's and are working with a stockbroker, unit trust company or in a related field. You are now seeking a new challenge where you have more responsibility to make decisions and the chance to develop new skills.

As a Marketing Executive for a large and successful group of investment management companies you will be responsible for increasing sales of unit trusts to private investors. This will involve advising on existing investments as well as creating portfolios from scratch.

You will have a good knowledge of equities, unit trusts or unit linked investment. You will also be a good communicator, decisive and be able to achieve results under pressure.

Based in London, there are excellent prospects for advancement. **Initial salary will be c £12,000 + the usual large company benefits.**

For a confidential discussion telephone Barbara Lord, Cripps, Sears & Assoc. Ltd. (Personnel Consultants), 88/89 High Holborn, London WC1V 6LH. Telephone 01-404 5701 (24 hours).

**Cripps, Sears**

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WE ARE LOOKING for a Capable International Marketing Consultant to aid and assist us in marketing a new sophisticated electronic game and diskettes for computers for markets outside USA and Canada. Contact: 516-536 7181. USA Tlx 649128.

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# *Hoggett Bowers*

*Executive Selection Consultants*

*BIRMINGHAM CARDIFF GLASGOW LEEDS LONDON MANCHESTER NEWCASTLE and SHEFFIELD*

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***City, c.£20,000 + extensive benefits***

This prestigious international investment bank is a leader in the primary and secondary Eurocapital markets. Reporting to the Group Internal Auditor, who is based outside the UK, this position makes a vital contribution to the performance of the bank through spontaneous and planned examinations of the London operations, securities and credit facilities. *Occasional travel is envisaged.* Candidates, aged 30 plus, must have an excellent track record in a banking or financial services environment with particular emphasis on international financing and securities. Formal qualifications will be helpful but are not essential. The attractive remuneration package includes a car and mortgage facilities after a qualifying period, plus medical, life and disability insurances, together with a first class non-contributory pension scheme etc.

L.L. *Duff. Ref: 18018/FT.* Male or female candidates should telephone in confidence *for a Personal History Form.* 01-734 6852, *Sutherland House, 5/6 Argyll Street,* LONDON, W1E 6EZ.

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## International investment adviser for substantial international investment portfolio

C&L

Our client seeks an individual, or an organisation, experienced in the management of international investments to advise, on a policy basis, on the overall strategy of its portfolio.

The portfolio is presently invested in equities and bonds (primarily US) and is operated by a number of independent "Money Managers" on a fully discretionary basis. The investments have an outstanding performance record.

Details will be forwarded to our client and should include size of investments managed, in which markets and performance record.

*Please write to R C Henry, Executive Selection Division, Ref. H018.*

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

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## General Managers/ Directors Designate

**Construction Industry — Worldwide**

These are challenging, senior positions requiring the ability to recognise and resolve problems arising in the construction industry.

We are an expanding international organisation which is particularly well placed to assist industrial and commercial organisations, banks and institutions planning capital investment projects.

We are seeking ambitious dynamic persons, aged around 35, possessing proven management skills and an in-depth understanding of the construction industry. Only applicants with a minimum of 15 years broadly based practical experience in project and construction management linked to the financial and contractual aspects of construction projects will be considered.

Possession of an engineering, building, surveying and/or legal qualification will be a fundamental requirement.

The posts which offer excellent remuneration and benefits also include the responsibility for area activities and growth from those areas. The positions will be within one of High-Point Services Group's successfully established C.T.M.S. (Construction Technology & Management Services) companies located and operating in the European, Middle East, Far East, Pacific Basin and S.A.D.C.C. areas.

The Group offers a range of consultancy services which include:

*Project and construction management.*
*Claims consultancy and management construction and engineering services.*
Commercial management of projects.
Insurance, risk broking and claims management.

The Group has offices established in Europe, Middle & Far East, Africa and the United States.

The opportunities for career advancement are unlimited for the right applicants.

Please write or telephone *The Office Manager* for an Application Form quoting Ref. No. ASM/83

**HIGH-POINT**
SERVICES GROUP
KING EDWARD HOUSE
NEW STREET
BIRMINGHAM B2 4QJ
TEL: 021-632 4581
TELEX: 339110 HPCTMS G

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## Top Executives
### Seeking a career change

Minster Executive specialises in solving the career problems of Top Executives who are earning in excess of £20,000 a year and are seeking a new opportunity.

The Counsellors in our partnership encompass a wide range of experience and skills. All have been engaged in a top management role. The Minster Programme, tailored to your individual needs, will be managed by at least two Counsellors so that you are guided along the most effective route to that better opportunity.

We have an impressive record of success and an acknowledged reputation in the employment market; many blue chip companies from a broad spectrum of industry and commerce retain our services in the re-deployment of their senior people. It could be to your advantage to find out more about us today. Write or telephone for a preliminary discussion without obligation.

MINSTER EXECUTIVE LTD. 28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309/1085

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## Phillips & Drew
### Traded Options

We have two vacancies in our traded options section:

1. for a bright young graduate with one or two years' experience in a stockbroking environment. Applicants should have a mathematical/computer bias and be self-starters;
2. for an established traded options salesperson with at least two years' experience.

Where necessary, full training will be given, in a market which we regard as having excellent growth potential.

Competitive remuneration and conditions (including profit-sharing and other benefits) will be offered to the successful applicants.

*Please apply to:*
**Deborah Harman, Phillips & Drew,**
**Lee House, London Wall, London EC2Y 5AP**

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## TREASURER

A growing internationally-oriented merchant banking group is seeking the services of a Treasurer. The position is one of considerable responsibility and involves the management of the Group's cash and deposits and the negotiation and arrangement of multi-currency lines of credit for the Group's operations in underwriting, syndicated lending, project finance and securities dealing. In addition, the successful candidate will be responsible for maintaining and developing the Group's relations with international banks in London and elsewhere. The position is based in London.

A salary of £25,000 per annum is offered, together with a housing subsidy, a motor car, BUPA, and participation in a Group Life Insurance programme.

*Reply in confidence to Box A8199, Financial Times, 10 Cannon Street, London EC4P 4BY*

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MIKE POPE & ASSOCIATES
BANKING & MONEY BROKING RECRUITMENT CONSULTANTS

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| Controller (A.G.M.), Bahrain | to $80,000 |
| Syndications manager | £ neg. |
| F.X. dealers | to £20,000 |
| Eurobonds sales | £ neg. |
| U.S. $ equities (sales) 25-40 | c. £20,000 |
| Senior credit analyst | c. £13,000 |
| Account manager (with German) | c. £13,500 |
| Corporate finance analyst (with Portuguese) | £ neg |

Please phone Mike Pope
01-626 5191
1/2 Gracechurch St., London, EC3

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## Investment Manager

WEST YORKSHIRE ENTERPRISE BOARD LIMITED

The Board's main task is to promote economic growth and employment opportunities in West Yorkshire through investment in medium sized business in manufacturing and service industries.

Demand for the Board's support has created a vacancy at a senior level and the Investment Manager will be directly responsible to the Managing Director.

Principal tasks will include identification and appraisal of investment opportunities; negotiation and implementation of appropriate funding packages and monitoring of investments.

The successful candidate will have had senior level experience in industry as a line manager or a consultant and ideally will be a qualified business graduate or accountant.

The salary and benefit package will be commensurate with the importance of the position.

Applications should be made in writing including full career details, references and present salary to:-

The Managing Director,
West Yorkshire Enterprise Board Limited,
5th Floor, Purlin House, Queen Street,
Wakefield, West Yorkshire. WF1 1LE

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## OIL TRADING

A long established and leading Oil Trading company is seeking two experienced Traders to be located in The Gulf and the Far East.

Suitable candidates are unlikely to have had less than 10 years commercial experience in the oil business and should be familiar with the current supply, marketing and trading opportunities in either of these areas.

The successful applicants will be able to demonstrate their ability to generate profitable business on their own initiative. Their reward will be a substantial basic salary, profit participation and attractive fringe benefits.

Reply with full personal and career details which will be kept in the strictest confidence to:

*Box A8212, Financial Times*
*10 Cannon Street, London EC4P 4BY*

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## chequepoint

This expanding group wishes to create a young and singularly ambitious international management team.

Successful candidates will be under 35, have a professional qualification or good degree and be natural leaders, able to motivate people at all business levels.

After an intensive period of commercial training, excellent survivors will quickly be rewarded with senior positions of responsibility, high financial reward and long-term career satisfaction.

Very concise history and photograph to:
**Ref. APL at 13/15 Davies Street,**
**London W1, within 7 days.**

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## INTERNATIONAL EQUIPMENT LEASING AND FINANCE

*Positions in Credit and Marketing Management*

Expanding bank-owned multinational company seeks two well-qualified and experienced executives for its international sales-aid programmes, direct middle-market *and cross-border transactions.*

### ASSISTANT INTERNATIONAL CREDIT MANAGER

This new appointment is responsible for creating and implementing credit procedures. Experience in the analysis of equipment leasing and finance and associated procedures is required. Knowledge of European accounting methods would be an advantage but is not essential.

### ASSISTANT INTERNATIONAL MARKETING MANAGER

Responsibility is for the expansion of sales-aid programmes and the development of cross-border transactions. Experience in these areas, preferably on an international basis, is essential.

European travel is involved in both positions. Attractive compensation packages include a car and the usual large-company benefits.

*Please send detailed CV, including salary, to:*
Manager, International Operations
CONCORD LEASING SERVICES LTD
Concord House, 61 High Street
Brentford, Middlesex TW8 0AA

---

A leading international investment group has the following vacancies based in London:

## TRADER

Experienced Trader required for London trading department who must be experienced in trading U.S. Fixed Income Securities and be responsible for maintaining markets in Yankee, Canadian, U.S. Corporate and U.S. Government Securities. Salary circa $30,000-$40,000 per annum with usual fringe benefits.

## ACCOUNT EXECUTIVE

Experienced Account Executive required to define and develop short-term fixed income business. Must have sound grasp of market for U.S. Government, U.S. Federal Agency Securities and Eurobonds and ideally have some experience in a similar environment in the U.S.A. Ability to relate fiscal monetary and political news to financial markets and clients' portfolios is essential. Salary circa $35,000-$40,000 per annum with usual fringe benefits.

Candidates for both positions should be educated to degree standard and be NYSE registered. Age 25-35.

Please write in strictest confidence, enclosing curriculum vitae, to
*Box A.8211, Financial Times, 10 Cannon Street, London EC4P 4BY*

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calma
USA

G.E. - Calma is a U.S.-based supplier of computer systems for interactive graphic design applications and we require a

## TREASURY MANAGER

based at our European Headquarters in Camberley, Surrey, reporting to the Finance Director.

Prime responsibilities will include collection of outstanding receivables from European customers of both the U.S. parent and the operating units within Europe, financial planning/budgetary control, tax and treasury management with emphasis on foreign exchange exposure and cash forecasting.

Although primarily U.K.-based, the position will involve some European travel. Salary is negotiable around £17,000 p.a. plus participation in a performance-related bonus scheme, company pension scheme and BUPA.

Applicants, preferably 28+ and qualified accountants, should write in confidence with full details of salary and experience to:

Mrs. D. Spurr,
Calma Company,
Beech House,
373/399 London Road
Camberley,
Surrey, GU15 3HR.

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## PosTel
### Investment Management Ltd
## Equity Dealer

PosTel Investment Management Ltd. manage the Post Office and the British Telecom Superannuation Funds, with total assets under management of £5,000 million and a cash flow of over *£600 million p.a.*

A vacancy has arisen for an Equity Dealer to work under the Investment Manager of the Core Portfolio. The job involves analysis and dealing in particular sections of the market.

The successful applicant will be expected to meet and develop good relationships with Stockbrokers and Senior Managers of companies.

A good degree and/or relevant professional qualification is essential and candidates should be receptive to changing techniques of investment.

Working conditions are above average and benefits include a staff restaurant, generous holidays, season ticket loan and contributory index-linked pension scheme.

Salary will be commensurate with qualifications and experience.

*Please apply with full career details to:*
Mrs. E. M. MacLeod, Staff Manager
PosTel Investment Management Ltd.
Equitable House
47-51 King William Street, London EC4R 9DD
Tel: 01-626 4577 ext. 244

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MIKE POPE & ASSOCIATES
Banking & Money Broking Recruitment Consultants

## SALES EXECUTIVE

Our client, an International Company supplying information and pricing of securities and equities to the financial community on V.D.U. systems, seeks a Sales Executive. Experience in North American equities preferred. Salary c. £11,500 plus very generous commission.

Please apply to Mike Pope on 01-626 5191
1/2 GRACECHURCH STREET, LONDON EC3

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## LDT DIRECTOR'S ASSISTANT

REQUIRED IN HOLBORN — AIB PREFERABLE

Considerable experience essential.
Knowledge of off-shore banking and of Gujarati would be useful.
Salary negotiable.

*Write Box A.8208, Financial Times*
*10 Cannon Street, London EC4P 4BY*

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## APPOINTMENTS WANTED

### PUBLIC RELATIONS

Cambridge post-graduate, very experienced public relations executive, over 25 years with a major British manufacturing, export-oriented company, seeks a similar appointment based in the City or Central London.

*Write Box A.8193, Financial Times*
*10 Cannon Street, London EC4P 4BY*

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## FINANCIAL EDITOR

Leading overseas newspaper group seeks Financial Editor and Deputy to head established staff on leading daily newspaper.

Interviews in London 16 May.

*Please reply in writing to:*
**David Stirling**
**10 Friar Street, London EC4V 5DT.**

# Accountancy Appointments

R-H

**INTERNATIONAL TREASURY** £22,000+CAR

A key management role with a substantial contractor. All round experience in forecasting, foreign exchange, bonds and project financing, plus contracts/knowledge of the banking sector will be put to extensive use. Broad commercial involvement will be expected. *Relocation Paid.* MIDLANDS.

**CONTROLLERSHIP POTENTIAL** £15,000

An excellent career opportunity is provided by this successful, high-tech manufacturing company. The appointment of Company Accountant is regarded as a stepping stone to Financial Controller. Supervising 3 staff you will be responsible for running the accounts function, financial planning and systems. Candidates should be qualified accountants, aged 25-30, with good manufacturing experience. SOUTH COAST.

**PROJECT ACCOUNTANT** c£12,000+Car, bonus, expenses

High exposure role providing exceptional career potential within various divisions of 'blue-chip' U.K. company. Involves capital expenditure appraisals, 5 Y.P.'s computerisation feasibility studies, deputising for finance management, etc. Demanding position 'guaranteeing' a senior line position after initial proving period completed. CENTRAL LONDON.

**GRADUATE ACA** £12,000

A demanding H.O. role within this U.S. computer company. Supervising a small staff, responsible for investigations/acquisitions projects to the Financial Controller, annual accounts and international tax affairs. A strong personality, with excellent communication skills will be vital. Prospects to a division or international subsidiary. WEST END.

Lee House, London Wall, London EC2Y 5AS Tel. 01-606 6771

**ROBERT HALF**

Accountancy & Financial personnel specialists

## Group Accountant

c.£12,500 West London

Our client, a public property company with interests in development and construction, wishes to appoint a Group Accountant. This is a new appointment, created by the company's outstanding growth in the last two years.

The successful candidate will be expected to contribute to continued growth by controlling the day to day accounting in the construction and development companies, producing half yearly and statutory accounts and getting involved in a range of special projects. One of these will be to develop the *accounting systems in the construction company which will* include computerisation. While there is a small staff, the person appointed will be expected to get involved in all aspects of the work.

Candidates, men or women, should be qualified accountants in their 20s. Commercial or industrial experience would be useful, but the most important attributes are a professional approach to work, a willingness to get totally involved in the company, and the ability to grow with the company.

Rewards include a starting salary of c.£12,500, an annual bonus, share incentive scheme (after 1 year's service) and a contributory pension scheme with free life assurance. Working conditions are excellent.

Please write, outlining how you meet these requirements, quoting reference number 1361 to:

bhf

Anne Knell, Principal Consultant,
Binder Hamlyn Fry & Co.,
Executive Selection Division,
8 St. Bride Street,
London EC4A 4DA.

## Aggressive Financial Controllers

### International Operations

The London HQ of a several billion sterling multinational conglomerate with a range of interests in exploration, mining, smelting, metal and mineral trading, construction, industrial and manufacturing activities, as well as financial investments, requires two Divisional Financial Controllers.

Suitable candidates will be at least in their early thirties, professionally qualified, preferably holding a science first degree, cosmopolitan, hard nosed, highly articulate and numerate, ambitious, commercial, willing overseas travellers, and inclined to be workaholics.

One appointment (ref PTD) will require extensive international experience of hard commodity (preferably metals) physical trading, agencies and terminal markets, and liaison with centralised tax and treasury services.

The other (ref SD/AD) will require considerable multi-site grass roots experience of manufacturing and service industries, with emphasis upon costing, inventory and budgetary control, management information systems, business planning, as well as divestment and acquisition analysis. An additional benefit would be tin or other metal smelting experience.

Benefits will include competitive salaries, fully expensed company cars, non-contributory pensions, free BUPA and permanent health insurance.

Detailed and typed CV's, with a recent photograph, present salary and benefits information, quoting the appropriate reference, should be sent to the Director of Corporate Personnel, Amalgamated Metal Corporation PLC, Adelaide House, London Bridge, London, EC4R 9DT.

AMC

**AMALGAMATED METAL CORPORATION PLC**

A member of the Preussag Group

REUTERS

## Taxation Department

Central London circa£18,000

As a result of rapid growth two vacancies have been created within the Taxation Department which will offer the successful candidates excellent opportunities to become involved in all aspects of taxation with an emphasis on tax planning. Our client is a world leader in the provision of information services to the media and the financial community, and is UK based with establishments in over 70 countries and a turnover running at £200m and growing fast. Applicants must be suitably qualified (male/female) aged in their late twenties who should have, ideally, in addition to UK tax experience a grounding in both personal and foreign tax. Ref. 1269/FT. Write or telephone for an application form or send full details to R.P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel. 01-493 0156.

*Phillips & Carpenter*

Selection Consultants

**FINANCIAL ACCOUNTANT**

**SPORTS CLUB**

**WEST LONDON**

The Queen's Club is one of the leading sports clubs in the country, with emphasis on lawn tennis. *Facilities include a comprehensive* catering service.

We require an accountant to take overall responsibility for the accounting function of Queen's Club Ltd., involving the supervision of 2/3 staff.

The successful applicant will be responsible for maintaining the accounting records of the Company and providing budgets and monthly reports for the Secretary.

Applicants should be in the age range 30-40, qualified ACA/ACCA, with previous experience of running a small Accounts Department. A salary of not less than £10,000 is envisaged.

*Please apply in writing with full c.v. to:*

**The Secretary,**
**The Queen's Club Limited,**
**Pallisher Road,**
**London W14.**

Hanson Trust PLC

## Financial Comptroller

Hanson Trust PLC requires an ambitious Financial Comptroller to join its small central management team based in London. Hanson Trust is one of the foremost growth companies of the last two decades and is committed to a continuation of this growth both organically and by acquisition in the UK and the USA where over half the group's businesses are situated.

Many of the senior management positions in the group have been filled in the past from members of the central team and the position therefore offers enormous scope for an ambitious and energetic accountant.

The successful applicant, male or female, will be a chartered accountant, 30–35 with a good academic background and progressive experience in practice and industry.

A substantial salary will be paid and generous fringe benefits, including car, are available.

Applications should be made to:

**The Financial Director,**
**HANSON TRUST PLC,**
**180 Brompton Road,**
**London SW3 1HF.**

## Farming, Fishing, Food and Finance

### A senior investigative and management role

Working within the *Government Accountancy Service,* accountants exert considerable influence on the management and administration of national affairs.

The Ministry of Agriculture, Fisheries and Food is responsible for advising and supporting some of the UK's largest and most important industries, and is involved in relevant EEC policy administration. There is a new post for a qualified accountant at the Central Veterinary Laboratory, in Weybridge, Surrey. Responsibilities will include devising and eventually implementing a new management accounting system suitable for computerisation during 1983.

Candidates (normally aged at least 30) must be Chartered, Certified, Cost and Management or Public Finance accountants or be eligible for admission and be able to work with scientific staff. Interest in and acquaintance with the use of computers for management information and accountancy systems is essential.

Salary: As Principal £12410–£16445. Starting salary within the range according to qualifications and experience.

For further information and an application form (to be returned by 26 May 1983) write to Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 68551 (answering service operates outside office hours). Please quote ref: G/5988.

LB

## MANAGEMENT ACCOUNTANT

### in a Marketing Environment

Lever Brothers leads the UK soap and detergents industry and is a major company within Unilever.

We are seeking someone of high potential to join a small and highly qualified management accounting team at our Head Office in Kingston upon Thames, to be responsible for providing an effective management accounting input to our marketing and decision making.

You will be 25-30, currently earning in excess of £12,500 and possess most of the following: a degree in economics or business studies; an accounting qualification; 3 years post qualifying experience; knowledge of the marketing environment in a consumer goods company. As vital qualities, you will have a commercial approach to business, strong oral and written communication skills and an ability to relate successfully to senior management.

We expect that you will demonstrate the potential to assume greater responsibilities within 2 years and as someone interested in broadening from your accounting base, you will be attracted by the further prospects in a diverse multinational group.

Remuneration will include an attractive starting salary and major company benefits, including assistance with relocation where appropriate.

Forward a comprehensive career resume to Harry Barrington at the address below, or telephone for an application form:

**Lever Brothers**

Lever Brothers Limited, Lever House, 3 St. James's Road,
Kingston upon Thames, Surrey, KT1 2BA
Telephone: 01-549 1422

LB

## Financial Accountant

### Banking, Kuwait c.£24,000 Tax Free

Our client is one of Kuwait's leading banks whose continued expansion has created the need to strengthen the financial accounting function.

Reporting to the Chief Accountant, he will supervise a well established department monitoring banking operations and preparing statutory returns, and will contribute significantly to the continuing development and refinement of systems and procedures.

The ideal age is 28 to 33, and candidates must be qualified ACA or ACCA with at least five years' general accounting experience which should include international operations involving multi-currency transactions.

Salary is as shown, and the two year renewable contract includes furnished family accommodation, school fees and annual home leave.

Please send full career details, in confidence, to A. R. Duncan at Bull, Holmes (Management) Limited, 45 Albemarle St., London W1X 3FE, quoting Ref. 313.

*Bull Holmes*

PERSONNEL ADVISERS

## CHIEF ACCOUNTANT

### Central London Commodities

Our client, a successful commodity trading Company is seeking a Chief Accountant to take charge of their accounting function. Responsibilities will include preparation of final accounts, Group consolidation and management of the computerised accounting systems.

*The successful applicant will be professionally qualified,* have attained at least the position of deputy in their department, and have the necessary flexible approach for an accounting function in the commodities environment. Preference will be given to applicants with experience of commodity trading and/or foreign exchange.

The position offers an opportunity to contribute to the management expertise of an expanding Company as well as an attractive remuneration package. It is expected that suitable applicants will be currently earning not less than £12,000 p.a.

Please apply in writing giving full details of your career and achievements to date, and quoting reference 172/28 to, Alan C. Martin, Senior Consultant.

Professional Personnel Consultants Limited,
Orchard House, 1 Orchard Lane, Huntingdon, Cambs.
Telephone: Huntingdon (0480) 55333/55334.

*"an equal opportunity vacancy"*

PPC

## Treasury Manager

### c.£15,000 p.a. + car Reading

Our client, an international group (US parent) engaged in the manufacture of food products, has substantially increased its investment in the UK.

The primary requirement of this appointment involves control of the Group's UK cash flow and the management of short-term investment funds, but there is also a wider responsibility for the maintenance of a comprehensive support service on all Treasury matters.

Ideally candidates will be qualified accountants with previous experience of US reporting systems and a *background* in the corporate finance and treasury function.

**Mervyn Hughes Alexandre Tic (International) Ltd.**

Management Recruitment Consultants

MHAT

Applications in confidence to:
Brian G. Luxton, under ref. 6641,
37 Golden Square,
London W1R 4AN.
01-434 4091.

# Accountancy Appointments

## International Financial Management

**c.£19,000+car**

British-American Tobacco Company Limited is part of B.A.T Industries whose turnover is in excess of £11,500 million. We operate worldwide with companies in over 40 countries in Latin America, the Caribbean, Africa, Europe and the Far East. Our highly professional audit team services all these companies from a base in our London Head Office.

In this newly created post you will assist our Chief Internal Auditor, conducting your own overseas assignments, liaising with senior management, training audit staff and developing audit methodology. About half your time will be taken up with overseas visits providing you with a unique insight into our international operations. In under five years you will be expected to move on to a senior line position overseas or in the UK and promotion worldwide is from within the Company.

You should be in your mid 30's, a graduate Chartered Accountant currently employed in industry. At present you should be a financial manager with experience of computerised management techniques, involvement in training and used to foreign travel.

Salary is negotiable and benefits include a non-contributory pension scheme, generous holiday entitlement and paid air passage for your spouse and children to accompany you on lengthy assignments.

Please telephone 01-222 1222 ext. 2399 for an application form and further details or send a detailed CV to Geraldine Cable, British-American Tobacco Company Limited, Westminster House, 7 Millbank, London SW1P 3JE.

B.A.T

## ACCOUNTANTS
## National interest, Nationwide

**to £15,945**

Accountants working within the Government Accountancy Service exert considerable influence on the management and administration of national affairs. Posts exist throughout England and in Scotland covering areas ranging from defence to employment, from agriculture to education, and from manufacturing to mapping.

The choice of work is matched by its challenge and variety. Accountants advise on the management of £multi-million operations; they develop systems incorporating the most sophisticated information technology; and they conduct audits, both internally and of outside organisations, to increase efficiency and get better value for money. Wherever you work, and whatever your role, you can be assured of a high level of responsibility, and good prospects of career development and promotion.

Members of the GAS fill posts within the Administration Group and are appointed as Principal, Senior Executive Officer (SEO) or Higher Executive Officer (HEO) and enjoy a career structure which can lead to the top of the Civil Service.

Current vacancies are in London; Bristol; Worcester; Basingstoke; Portsmouth; Stockport; Nottingham; Birtley, Co Durham; Bishopton, Renfrewshire; Blackburn; Bridgwater, Somerset; Birmingham; Sheffield; Southampton and Weybridge, Surrey (1 principal post).

All applicants must be Chartered, Certified, Cost and Management or Public Finance Accountants or be eligible for admission.

Starting salary will be in the range of £7,280 – £15,945 according to age, qualification and experience. Up to £1,220 higher in London. Promotion prospects to £22,000 and above.

RELOCATION ASSISTANCE MAY BE PAYABLE.

For full details and an application form (to be returned by 20 May 1983) write to Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 68551 (answering service operates outside office hours). *Please quote ref:* G/5988 (Principal post) or G(2)590 (other posts).

## HSI
## SENIOR ACCOUNTANT

**CITY c£17,500 + mortgage**

Our client is a leading life assurance company with a substantial investment and property portfolio whose premium and investment income has more than trebled over the last five years.

The Investment Accounts Department which is responsible for the accounting, administration and valuation of a wide range of funds, now seeks a Senior Accountant. Initially the principal responsibilities will be to provide a technical back-up in the following areas: Relavant legislation, preparation of accounts and further computerisation.

Candidates should be qualified Accountants aged 30-40 with the ability to manage and motivate staff and the personality and drive to advance to senior management. Benefits include a subsidised mortgage, non-contributory pension scheme and free medical coverage.

**Please reply in confidence with brief career details giving a day-time and evening telephone number or telephone D. E. SHRIBMAN.**

**Hudson Shribman International**

College Hill Chambers, 23 College Hill, EC4 01-248 7851

## NATIONAL CREDIT CONTROLLER

**Lancs. c.£17,000+Car+Bupa**

Senior executive credit control position. New appointment in charge of National Company's credit control. Challenging position for *ambitious* professional. Please respond immediately by phone to:

R. M. HICKLIN 061-834 9733

ap accountancy personnel
061-834 9733
49 King Street, Manchester M2 7AY

ACCOUNTANCY APPOINTMENT APPEAR EVERY THURSDAY
Rate £31.50
Per Single Column Centrimetre

## *Financial Director*

*N Home Counties*

*c £17,500+*

Our client, manufacturing advanced electronic equipment for commercial and defence purposes, requires a chartered accountant to assume responsibility for the administration of budgets, the control of the management accounting process, the collection and interpretation of financial data and the preparation of financial forecasts and performance reports. He/she will also advise the Managing Director on the financial implications of operating and market trends and will provide contractual advice on major contracts.

The Company Secretarial function, data processing and central administration, including site services, will ultimately become the responsibility of the Financial Director.

The successful candidate, over 30 years of age, will have a keen commercial perception and sound, appropriate experience in high technology manufacturing companies.

Salary will be c.£17,500 but consideration will be given to special cases. Fringe benefits include a company car, non-contributory pension scheme and free medical care.

*Replies, which will be forwarded to our client, should be addressed initially to E. M. Nell, 165 Queen Victoria Street, Blackfriars, London EC4V 3PD, quoting reference 4154IL. Please indicate the name of any specific company to whom your reply should not be sent.*

Peat, Marwick, Mitchell & Co.
*Executive Selection Division*

## MANAGEMENT ACCOUNTANT

**Saudi Arabia**
**Circa £20,000 p.a. (tax free)**

*Metito is the name of a dynamic international group of companies whose* reputation is synonymous with high quality water purification systems and waste water treatment. As a result of our continuing planned expansion we now wish to augment our staff in Saudi Arabia through the appointment of a Management Accountant.

The person appointed will be based in Riyadh and be responsible to the Financial Controller. Duties will include the preparation of company budgets and business plans, and the design and implementation of accounting systems.

To apply you should be qualified to CA/CPA/ACMA/ACCA level and have had several years relevant post-qualification experience. Such experience must include involvement with computer systems, preferably in the design as well as operation. Some time spent overseas would be an advantage.

In addition to the other benefits, the successful applicant will be entitled to free furnished married/single accommodation, free medical attention, a company car and regular leave in the U.K.

Applications should be made in writing, giving brief details of age and experience to:

***David Long, Personnel Director,***
**Metito (U.K.) Ltd., 83 Parkside, Wimbledon, London SW19 5LP.**

METITO WATER TREATMENT AND POLLUTION CONTROL ENGINEERS

REUTERS

## Financial Manager

**Italy** — **Attractive Local Salary and Allowances**

Our client is a world leader in the provision of information services to the media and the financial community and is U.K. based with establishments in over 70 countries and a turnover running at £200m and growing fast. As a result of rapid growth a vacancy exists for a Financial Manager which will offer the successful candidate excellent opportunities for career development in a fast moving environment using the latest mini and micro based computer systems. Reporting to the National Manager, the successful candidate will assume responsibility for all aspects of the accounting function. Applicants must be qualified accountants (male/female) aged in their late twenties and possess a good working knowledge of Italian. Ref. 1271/FT. Write or telephone for an application form or send full details to R.P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel. 01-493 0156.

*Phillips & Carpenter*
Selection Consultants

## Financial Controller
### International Banking

**City • £25-30K+bonus and car**

*Our clients are an established, highly successful British registered bank* with an impressive record of profitable axpansion to current footinga of over £1 bn. They now seek an additional member of their management team to assume responsibility for financial control and to contribute to strategic planning in the next phase of growth and development. Their style combines enterprise with prudence, informality with professionalism; they set high standards and reward generously – altogether a fruitful environment for career development.

The succassful candidate will almost certainly be a Chartered Accountant in his/her early-mid 30s with international banking experience. Since systems development will be a key responsibility, computer experience and a kean awareness of tha scope and applications of modern Information technology would be particularly valuabla. First hand knowledge of the Arab world would also be helpful. Personal and professional attributes must ba of tha highest calibre.

A salary in tha area indicated will be enhanced by benefits in line with accepted banking practice. Please apply in confidence, quoting Ref 02S/6, to: Charles Barker Managemant Selection International Limited, 30 Farringdon Street, London EC4A 4EA. Talephone 01-236 0588.

**Charles Barker**

EXECUTIVE SEARCH • MANAGEMENT SELECTION • ADVERTISING

## Financial Accountant

**c£15,000 London**

Our client, e significant publisher of magazines and provincial newspapers, wishes la appoint en accountant fo eugment its head office team. This is o new position, reporting fo the Group Chief Accountant, and has been created because of the company's continued growth. The successful candidate will be expected, among other things, lo:

* develop head office computer systems
* prepare group consolidations
* *provide the London monthly management report.*

There is considerable scope to increase the range ef activities and future prospects in the Group ere good.

Candidates, men or women, should be qualified accountants with commercial or industrial experience. This must include work in developing computer systems, preferably on e mini. Head office and publishing experience would be an advantage. Age is likely to be 2B-33.

Starting salary will be around £15,000. The offices are in the Fleet Street area.

Please write or telephone for an application form and job specification, quoting reference number 1360, to:

bhf
Anne Knell, Principal Consultant,
Binder Hamlyn Fry & Co.,
Executive Selection Division,
8 St. Bride Street,
London EC4A 4DA.
Tel: 01-353 3020

## TWO ACCOUNTANTS
**(preferably CIPFA) GRADE PO1A**

**SALARY £9,504-£10,563 plus £747 LONDON WEIGHTING**

Are needed in the Brent Finance Oepartment, one to assist with Direct Labour Organisation Accounting the other with Budget preparation and monitoring.

**(a) Works**

Brent carries out both Capital and Maintenance Work through Direct Labour and the successful applicant for the post dealing with these accounts will gain valuable experience ef OLO Accounting including the use of computerised systems. Ref F/334

**Budget and control**

The other post will deal with overall co-ordinatien ef beth Capital and Revenue Budget preparation and monitering including assessment of the effects of inflation and policy decisions on the budget as a whole. Ref F/345

Both posts will suit newly qualified accountants (preferably CIPFA) who wish to put their qualifications into practical use.

BRENT IS AN EQUAL OPPORTUNITY EMPLOYER. APPLICATIONS ARE WELCOME FROM CANOIDATES REGAROLESS OF RACE, NATIONALITY, ETHNIC OR NATIONAL ORIGINS, AGE, MARITAL STATUS, SEX, SEXUAL ORIENTATION ANO FROM REGISTEREO OISABLEO PERSONS.

Application forms and jeb descriptions from the Personnel Division, Room 708, Brent House, High Road, Wembley, Middlesex returnable 25 May 1983 Telephene 01-903 0371 (24 hour Ansafone service). Reference numbers must be quoted.

*London Borough of* **BRENT**

## DEPARTMENT MANAGER DESIGNATE

We have been retained by e leng-established end respected firm which requires a Manager Designate.

The firm has diverse interests in the provisien of services to certain sectors of the peblic.

The successful candidate, possessing geed commercial legal experience, would ideally hold the ACIS qualificatien. The duties will invelvo considerablo contact with clients and confidence and ability in this area will be regarded as essential. A proven record of controlling and metivating staff will also be required.

Remuneretion is negetiable according to experience and qualificatien but will reflect the seniority of this appointment.

*Write enclosing a detailed curriculum vitae to:*

**C. E. Hunt, Hodgson Harris,**
**Halford House, Coval Lane,**
**Chelmsford, Essex CM1 1TZ.**

## ASSISTANT TO THE FINANCIAL CONTROLLER

**—to £12,000 + benefits**

A highly profitable trading company in the West End wishes to recruit a newly-qualified chartered acceuntant The company is a subsidiary of *an internatienal corporation.*

Responsibilities will be diverse and include: invelvement in the preparatien and reporting ef budgets and actual perfermance, varieus specific projects such as financial modelling enhancements, and review of systems and internal controls. It is anticipated that the scope of the role will expand rapidly in line with the individual's understanding of the company and its market.

Suitable applicants will be technically astuto, innovative in a practical way with the ability te work well with line managers. The job offers tho ideal oppertunity for someone wishing te *move from* the profession te a broad-based commercial environment.

Write onclesing a c.v. to:

*Write Box A8209, Financial Times.*
*10 Cannon Street, London EC4P 4BY*

## FINANCIAL DIRECTOR

**£13,500 + Car — SOUTH WEST SURREY**

We are a profit-orientated erganisation engaged in distribution with a turnover of £12m and plans for expansien. Business philosephies are down to earth and place a heavy accent upon *sound financial control.*

Applicants will be enthusiastic, positive minded qualified accountants ACA or ACMA who relish the opportunity to work as part of a dedicated management team whilst practicising basic accounting skills which are their stock in trade.

The attractive remuneratien package will include a company car, profit share, contributory pension scheme and BUPA cover.

Oetailed curriculum vitae should be addressed to:
The Newship Group, Box A.8210, Financial Times,
10 Cannon Street, London, EC4P 4BY.

# FT UNIT TRUST INFORMATION SERVICE

## AUTHORISED UNIT TRUSTS

# NORTH AMERICAN QUARTERLY RESULTS

| CANADIAN MARCONI | | |
|---|---|---|
| Year | 1982-83 C$ | 1981-82 C$ |
| Revenue | 196.6m | 155.3m |
| Net profits | 18.8m | 19.5m |
| Net per share | 3.16 | 3.27 |

| FLEXI-VAN | | |
|---|---|---|
| First quarter | 1983 $ | 1982 $ |
| Revenue | 44.8m | 52.3m |
| Net profits | 3.2m | 7m |
| Net per share | 0.21 | 0.79 |

| INTERPROVINCIAL PIPE LINE | | |
|---|---|---|
| First quarter | 1983 C$ | 1982 C$ |
| Revenue | 109.4m | 91.1m |
| Net profits | 28.5m | 17.9m |
| Net per share | 0.91 | 0.70 |

| NATIONAL FUEL GAS | | |
|---|---|---|
| Second quarter | 1982-83 $ | 1981-82 $ |
| Revenue | 402.9m | 398.7m |
| Net profits | 18.9m | 25.7m |
| Net per share | 3.52 | 4.8 |

| DOMTAR | | |
|---|---|---|
| First quarter | 1983 C$ | 1982 C$ |
| Revenue | 410m | 437.4m |
| Net profits | 500,000 | 11.8m |
| Net per share | 0.02 | 0.65 |

| GREYHOUND | | |
|---|---|---|
| First quarter | 1983 $ | 1982 $ |
| Revenue | 1.03bn | 1.03bn |
| Net profits | 15.7m | 14.8m |
| Net per share | 0.35 | 0.33 |

| LINCOLN NATIONAL | | |
|---|---|---|
| First quarter | 1983 $ | 1982 $ |
| Revenue | — | — |
| Net profits | 34.7 | 38.4m |
| Net per share | 1.60 | 1.77 |

| USF AND G | | |
|---|---|---|
| First quarter | 1983 $ | 1982 $ |
| Revenue | 571.1m | 578.5m |
| Op. Net profits | 43.8m | 35m |
| Op. Net per share | 1.82 | 1.28 |

# FT UNIT TRUST INFORMATION SERVICE

## Authorised Units—continued

## Insurances—continued

## Offshore and Overseas—continued

## LONDON TRADED OPTIONS

| Option | Calls July | Calls Oct. | Calls Jan. | Puts July | Puts Oct. | Puts Jan. |
|---|---|---|---|---|---|---|
| **Brit. Petroleum (*404)** | | | | | | |
| 300 | 118 | 110 | — | 2 | 3 | — |
| 550 | 82 | 88 | — | 4 | 7 | — |
| 360 | 54 | 64 | 74 | 8 | 10 | 14 |
| 390 | 50 | 44 | 54 | 16 | 18 | 22 |
| 420 | 14 | 24 | 52 | 30 | 32 | 35 |
| **Cons. Goldfields (*530)** | | | | | | |
| 420 | 130 | — | — | 5 | — | — |
| 460 | 22 | 110 | — | 5 | 10 | — |
| 500 | 02 | 74 | 85 | 14 | 25 | 35 |
| 560 | 28 | 45 | 60 | 35 | 47 | 57 |
| 600 | 10 | 27 | — | 70 | — | — |
| **Courtaulds (*90)** | | | | | | |
| 70 | 29 | 32 | — | 1 | 8 | — |
| 80 | 18 | 02 | 24 | 2 | 2½ | 5½ |
| 90 | 12 | 14 | 18 | 4 | 5½ | 7½ |
| 100 | 0 | 0 | 11 | 10 | 12 | 14 |
| **Commercial Union (*153)** | | | | | | |
| 120 | 35 | 58 | — | 1½ | 1½ | — |
| 130 | 20 | 29 | — | 2 | 5 | — |
| 140 | 00 | 03 | 07 | 4 | 6 | 8 |
| 160 | 8 | 15 | 17 | 14 | 10 | 17½ |
| **G.E.C. (*220)** | | | | | | |
| 180 | 56 | 64 | — | 8 | 3 | — |
| 000 | 30 | 44 | — | 4 | 8 | — |
| 220 | 24 | 34 | 40 | 10 | 17 | 22 |
| 240 | 10 | 24 | 32 | 02 | 30 | 34 |
| 260 | 7 | — | — | 58 | — | — |
| **Grand Met. (*338)** | | | | | | |
| 280 | 55 | — | — | 2 | — | — |
| 000 | 46 | 51 | — | 0 | 6 | — |
| 530 | 24 | 32 | 40 | 12 | 15 | 18 |
| 360 | 13 | 18 | 25 | 28 | 31 | 33 |
| 390 | 4 | 8 | — | 54 | 50 | — |
| **I.C.I. (*456)** | | | | | | |
| 330 | 134 | — | — | 3 | — | — |
| 360 | 104 | 110 | — | 0 | 5 | — |
| 380 | 74 | 80 | — | 5 | 0 | — |
| 420 | 52 | 60 | 72 | 10 | 14 | 18 |
| 460 | 85 | 38 | 48 | 24 | 52 | 55 |
| 500 | 11 | 20 | 30 | 50 | 56 | 60 |
| **Land Securities (*313)** | | | | | | |
| 260 | 56 | 64 | — | 2 | — | — |
| 280 | 55 | 44 | — | 0 | 5 | — |
| 300 | 17 | 27 | 38 | 13 | 15 | 18 |
| 330 | 7 | 17 | 07 | 88 | 31 | 34 |
| **Marks & Spencer (*203)** | | | | | | |
| 180 | 27 | 54 | — | 4 | 5 | — |
| 200 | 10 | 21 | 00 | 11 | 18 | 22 |
| 220 | 8 | 12 | 18 | 24 | 28 | 32 |
| 240 | 3 | — | — | 43 | — | — |
| **Shell Transport (*492)** | | | | | | |
| 090 | 112 | 120 | — | 2 | 3 | — |
| 420 | 82 | 92 | — | 3 | 6 | — |
| 460 | 44 | 52 | 64 | 8 | 14 | 24 |
| 500 | 22 | 34 | 42 | 28 | 34 | 40 |
| 550 | 10 | 15 | — | 00 | 72 | — |

| Option | Calls May | Calls Aug. | Calls Nov. | Puts May | Puts Aug. | Puts Nov. |
|---|---|---|---|---|---|---|
| **Barclays Bank (*478)** | | | | | | |
| 560 | 120 | 132 | — | 1 | 2 | — |
| 320 | 90 | 102 | - | 2 | 2 | — |
| 420 | 62 | 75 | 88 | 2 | 6 | 10 |
| 460 | 23 | 45 | 58 | 8 | 20 | 27 |
| 500 | 5 | 20 | 36 | 28 | 37 | 60 |
| **Imperial Group (*115)** | | | | | | |
| 90 | 27 | — | — | 1 | — | — |
| 100 | 17 | — | — | 1½ | — | — |
| 110 | 8 | 14 | 15 | 2 | 5 | 6 |
| 120 | 2½ | 7 | 0 | 7 | 10 | 11 |
| 130 | 1 | 4 | 0 | 15 | 15 | 18 |
| **LASMO (*320)** | | | | | | |
| 210 | 115 | 127 | 155 | 1 | 5 | 3 |
| 200 | 85 | 107 | 115 | 1 | 4 | 4 |
| 250 | 75 | 87 | 100 | 1½ | 5 | 10 |
| 270 | 55 | 75 | — | 2 | 8 | 13 |
| 290 | 33 | 55 | 50 | 5 | 13 | — |
| 300 | — | — | — | — | — | 20 |
| 320 | 15 | 55 | 47 | 10 | 08 | — |
| 330 | — | — | — | — | — | 38 |
| 550 | 4 | — | — | — | — | — |
| **Lonrho (*92)** | | | | | | |
| 80 | 15 | 10 | 17 | 1 | 2 | 5 |
| 90 | 5 | 8½ | 10½ | 3 | 5 | 7 |
| 100 | 1½ | 5 | 0 | 10 | 15 | 15 |
| **P. & O. (*148)** | | | | | | |
| 100 | 51 | 01 | — | 0¼ | 1 | — |
| 110 | 41 | 41 | — | 0½ | 2 | — |
| 100 | 31 | 31 | 32 | 1 | 8 | 8 |
| 130 | 21 | 02 | 23 | 2 | 4 | 7 |
| 140 | 11 | 13 | 18 | 4 | 10 | 15 |
| 160 | 5 | 8 | 13 | 12 | 25 | 28 |
| **Racal (*474)** | | | | | | |
| 420 | 62 | 90 | 97 | 2 | 7 | 14 |
| 460 | 25 | 47 | 68 | 8 | 20 | 32 |
| 500 | 7 | 27 | 45 | 30 | 41 | 52 |
| 550 | 2 | 10 | — | 77 | 70 | — |
| 600 | 1 | 4 | — | 127 | 182 | — |
| 650 | 1 | — | — | 177 | — | — |
| **R.T.Z. (*587)** | | | | | | |
| 420 | 107 | 174 | — | 0½ | - | - |
| 460 | 187 | 134 | — | 0½ | 5 | — |
| 500 | 87 | 94 | 115 | 2 | 7 | 15 |
| 550 | 40 | 57 | 75 | 6 | 30 | 50 |
| 600 | 10 | 34 | 50 | 27 | 40 | 52 |
| **Vaal Reefs (*$117)** | | | | | | |
| 80 | — | — | — | 1 | — | — |
| 90 | 28¼ | 30½ | 34½ | 1 | 1½ | 4 |
| 100 | 18½ | 82½ | 28½ | 1 | 3½ | 7¼ |
| 110 | 8 | 17½ | 24 | 2½ | 7 | 10½ |
| 120 | 3 | 13 | 10½ | 0 | 11 | 15 |
| 130 | 1 | 8 | 15½ | 14 | — | 20½ |
| 140 | 1¼ | 4½ | 9½ | — | — | — |

| Option | Calls June | Calls Sept. | Calls Dec. | Puts June | Puts Sept. | Puts Dec. |
|---|---|---|---|---|---|---|
| **Beecham (*388)** | | | | | | |
| 360 | 57 | 60 | 63 | 5 | 9 | 15 |
| 500 | 20 | 35 | 45 | 18 | 27 | 35 |
| 420 | 8 | 18 | 27 | 40 | 45 | 50 |
| **Guest Keen (*157)** | | | | | | |
| 135 | 27 | 31 | 55 | 2 | 6 | 9 |
| 155 | 12 | 17 | 22 | 10 | 14 | 16 |
| 175 | 4 | 9 | 15 | 22 | 25 | 29 |

May 4 Total Contracts 2,551 Calls, 1979 Puts 572

* Underlying security price.

# INSURANCE & OVERSEAS MANAGED FUNDS

**Barclays Life Assur. Co. Ltd.—cont.**

| | | | | |
|---|---|---|---|---|
| Income Accom | 108.5 | 114.3 | +0.3 | — |
| Do Initial | 106.1 | 112.4 | -0.2 | — |
| Man Pens Accum | 234.9 | 247.3 | +0.8 | — |
| Do Initial | 147.2 | 207.6 | +0.6 | — |
| Gilt-Edg. Pens. Accum. | 203.2 | 213.9 | -0.4 | — |
| Do Initial | 164.4 | 173.1 | +0.2 | — |
| Money Pens. Accum | 178.8 | 188.3 | -0.4 | — |
| Do Initial | 146.5 | 154.3 | +0.2 | — |

**Black Horse Life Ass. Co. Ltd.**
71, Lombard St. EC3 01-623 1288

| | | | | |
|---|---|---|---|---|
| Black Horse Man. Fd. | 227.89 | | +9.64 | — |
| Managed Inv. Fd | 154.39 | 162.52 | -3.81 | — |
| Property Fd | 148.23 | 156.04 | +1.99 | — |
| Fixed Interest Fd. | 140.65 | 148.06 | +2.63 | — |
| Cash Fd. | 133.37 | 140.39 | +1.05 | — |
| Income Fd. | 159.60 | 168.09 | -6.89 | — |
| Extra Income Fd. | 154.82 | 162.97 | +8.30 | — |
| Worldwide Growth Fd. | 212.89 | 224.10 | -2.04 | — |
| Balanced Fd | 168.11 | 176.96 | +8.90 | — |
| Smlr Co's & Recy Fd | 197.96 | 208.38 | +6.11 | — |
| Intl Technology Fd | 243.52 | 256.34 | +4.54 | — |
| Nth. Amer & Gen. Fd. | 158.05 | 166.37 | -2.41 | — |
| Energy Int. Fd | 94.12 | 99.08 | +3.16 | — |
| Pacific Basin Fund | 123.39 | 129.89 | -0.56 | — |

**British National Life Assurance Co. Ltd.**
Harlands Rd, Haywards Heath. 0444 414111

| | | | | |
|---|---|---|---|---|
| Equity | 98.1 | 103.3 | ..... | — |
| International | 114.0 | 120.0 | ..... | — |
| Property | 106.7 | 112.3 | .. | — |
| Deposit | 96.8 | 101.9 | ..... | — |
| Fixed Interest | 96.2 | 101.2 | ..... | — |
| Managed | 104.0 | 109.5 | ..... | — |
| Equity Pens Cap | 97.7 | 102.8 | ..... | — |
| Intnl Pens. Cap. | 118.0 | 124.2 | ..... | — |
| Property Pens Cap | 108.5 | 114.3 | ..... | — |
| Deposit Pens Cap | 96.1 | 101.1 | ..... | — |
| Fixed Int Pens Cap. | 95.2 | 100.2 | ..... | — |
| Managed Pens Cap | 105.7 | 111.2 | ..... | — |

**Canada Life Group**
2-6, High St., Potters Bar, Herts. P. Bar 51122

| | | | | |
|---|---|---|---|---|
| Equity Gth May 1 | | 99.6 | ..... | — |
| Retmt. Fed. April 6 | | 294.2 | ..... | — |

**G.T. Management Ltd.**
16 Finsbury Circus, Lond EC2M 7DJ. 01-628 0131

| | | | | |
|---|---|---|---|---|
| G.T. Plan Bond Fund | 119.3 | 125.6 | -1.2 | — |
| GT Pln High Yld Fnd | 113.1 | 119.1 | -0.1 | — |
| GT Plan Far East Fnd | 98.1 | 103.3 | | — |
| GT Pln N Am Fund | 150.8 | 158.8 | | — |
| GT Pln UK&G E. Fnd | 129.4 | 136.8 | | — |
| GT Pln Wrldwde Fnd. | 129.4 | 136.3 | | — |
| GT Pension Bnd Fnd. | 127.4 | 134.7 | -1.2 | — |
| GT Pen High Yld Fd | 127.9 | 134.7 | | — |
| GT Pen Far East Fd | 112.8 | 118.8 | | — |
| GT Pen N Am Fd. | 208.5 | 219.5 | | — |
| GT Pen UE & G.E. Fd. | 148.2 | 156.1 | | — |
| GT Pen Worldwide Fd. | 137.9 | 145.2 | | — |

**Assicurazioni GENERALI S.p.A.**
117, Fenchurch St., EC3M 5DY. 01-488 0733

| | | | | |
|---|---|---|---|---|
| Intl. Managed Bond | 162.3 | 170.9 | ..... | — |

**General Portfolio Life Ins. C. Ltd.**
Crossbrook St., Cheshunt, Herts. Waltham X 31971

| | | | | |
|---|---|---|---|---|
| Portfolio Fd. Acc. | | 240.5 | ..... | — |
| Portfolio Fd. Intl. | | 202.0 | ..... | — |
| Portfolio Fd. Cap. | | 231.9 | ..... | — |
| Investment A uts | 240.4 | 253.0 | ..... | — |

**Growth & Sec. Life Ass. Soc. Ltd.**
48, London Fruit Exchange, E1 6EU 01-377 1122

| | | | | |
|---|---|---|---|---|
| Flexible Finance | | 1,413 | ..... | — |
| Landbank Secs | | 62.1 | ..... | — |
| Landbank Scs. Acc. | 172.4 | 176.8 | ..... | — |
| G. & S. Super Fd | | £10.638 | ..... | — |

**Guardian Royal Exchange**
Royal Exchange, E.C.3 01-283 7101

Guardian Assurance

| | | | | |
|---|---|---|---|---|
| Property Bonds | 299.9 | 312.3 | ..... | — |

**GRE Linked Assurance Limited**

| | | | | |
|---|---|---|---|---|
| Managed Initial | 201.0 | [illegible] | -0.4 | — |
| Do. Accum. | 220.8 | [illegible] | -0.4 | — |
| Equity Initial | 253.6 | 267.0 | -0.8 | — |
| Do. Accum. | 278.1 | 293.[illegible] | -0.8 | — |

**London A'deen & Nthn. Mtl. Assur. Ltd.**
129 Kingsway, London

**London Indemnity & Gnl. Ins. Co. Ltd.**
18-20, The Forbury, Reading

**London Life Linked Assur. Ltd.**
100, Temple St., Bristol
See adjacent Page Mon-Fri and Stock Exchange dealings Page Sat.

**London & Manchester Gp.**
Winslade Park, Exeter

## OFFSHORE AND OVERSEAS

[illegible]

**WestAvon Secs (Guernsey) Ltd**
PO Box 214, St Peter Port, Guernsey 0481 27768

| | | | | |
|---|---|---|---|---|
| Gilt & Option Fd. | £1.06 | 1.11 | +0.02 | 3.00 |
| US $ Option | $0.99 | 1.04 | | — |

**World Wide Growth Management♦**
10a, Boulevard Royal, Luxembourg

| | | | | |
|---|---|---|---|---|
| Worldwide Gth Fd | $13.06 | | -0.04 | — |

Inv. Adv. M. & G. Inv. Mngt., Ltd., London.

**Wren Commodity Management Ltd.**
10, St George's St., Douglas IoM 0624 25015

| | | | | |
|---|---|---|---|---|
| Wren Com. Fund | 34.4 | 35.8 | | 3.10 |
| Chinese Fund | 75.3 | 78.4 | | 1.70 |
| Precious Metal Fund | 126.6 | 131.8 | | 8.10 |
| Vanguard Cmdy. Fd. | 43.4 | 48.5 | | 2.26 |
| Financial Futures Fd | 126.5 | 111.7 | | — |
| Wren Intl. Fnd.* | $0.897 | 0.932 | ..... | — |

### NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yield % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

# INTERNATIONAL CAPITAL MARKETS

## FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for May 4.

| U.S. DOLLAR STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Amax O/S Fin 10¾ 00 | 100 | 98½ | 99 | +0⅛ | +0⅝ | 10.51 |
| Amro Bank 13 89 | 200 | 107⅞ | 108⅜ | 0 | +0½ | 11.14 |
| Bank of America 0 88 XW | 150 | 89⅞ | 90⅜ | +0⅛ | +0⅛ | 10.70 |
| Bank of Tokyo Hold 11 90 | 100 | 99½ | 100 | 0 | 0 | 11.04 |
| British Col Hyd 10¼ 88 | 200 | 99⅜ | 99⅞ | −0⅛ | +0⅝ | 10.34 |
| British Col Hyd 15⅝ 92 | 150 | 120½ | 120⅝ | +0⅛ | +0⅞ | 12.52 |
| Canadair Ltd 12½ 88 | 175 | 107⅝ | 108⅛ | +0¼ | +1¼ | 10.73 |
| Canadian Wheat 11¼ 90 | 50 | 102½ | 103 | 0 | +0⅜ | 10.67 |
| Can Pac Sec 15 89 | 75 | 110½ | 111 | +0½ | +0½ | 12.38 |
| Coca Cola Int 9⅞ 92 | 100 | 26⅛ | 28⅜ | 0 | +0⅝ | 10.49 |
| Coca Cola Int 11⅜ 89 | 100 | 100½ | 100 | +0⅜ | +0½ | 10.44 |
| Credit Suisse BHA 10½ 90 | 100 | 100⅜ | 100⅞ | 0 | +0¼ | 10.38 |
| Credit Suisse 10½ 89 | 100 | 102⅞ | 102⅞ | +0⅛ | +0½ | 9.92 |
| Deutsche Bk Fin 14¼ 89 | 300 | 112⅜ | 112⅞ | +0⅛ | 0 | 11.30 |
| Du Pont 11¼ 00 | 100 | 103⅝ | 104⅛ | 0 | +0⅝ | 10.64 |
| Du Pont 14⅛ 89 WW | 200 | 109⅝ | 109⅞ | 0 | +0⅝ | 11.83 |
| E.O.C. 10⅝ 00 | 100 | 101⅛ | 101⅝ | +0⅛ | +0⅞ | 10.33 |
| [illegible] | | | | | | |
| Prudential O/S 12⅝ 87 | 100 | 107⅞ | 108¼ | 0 | +0⅛ | 10.37 |
| Quebec Hydro 11½ 92 0 | 100 | 102⅝ | 103¼ | 0 | +0⅝ | 10.91 |
| R. J. Reynolds 12⅝ 89 | 100 | 106⅞ | 107⅞ | +0⅛ | +0⅝ | 11.10 |
| Saskatchewan Pr 10⅝ 00 | 125 | 100⅛ | 100⅝ | +0¼ | +0⅝ | 10.63 |
| S.N.C.F. 11½ 93 | 100 | 100⅝ | 100⅞ | +0⅛ | +0¾ | 11.38 |
| Swiss Bk Corp 10¼ 90 | 125 | 102⅝ | 102⅝ | +0¼ | +0⅞ | 9.68 |
| Texaco Capital 9⅞ 90 | 150 | 96⅝ | 97⅛ | +0⅛ | +0½ | 10.40 |
| U.B.S. 10 88 | 100† | 103½ | 102 | +0¼ | +0⅛ | 9.29 |
| U.B.S. 11 89 | 150 | 104⅜ | 104⅞ | +0¼ | 0 | 9.87 |
| Walt Disney Pro 12½ 89 | 10 | 106⅝ | 107¼ | +0⅛ | +0½ | 10.81 |

| | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| World Bank 10¾ 88 | 150 | [illegible] | [illegible] | [illegible] | [illegible] | 10.33 |
| World Bank 10⅞ 93 | 100 | [illegible] | [illegible] | [illegible] | [illegible] | 10.83 |
| World Bank 11½ 98 | 100 | [illegible] | [illegible] | [illegible] | [illegible] | 11.04 |

Av. price changes: on day +0⅛, on week +0⅝

| DEUTSCHE MARK STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Australia 6⅞ 93 | [illegible] | | | | | |
| Bank of Tokyo 1¼ 50 | [illegible] | | | | | |
| Bayer Capital 7⅝ 89 | [illegible] | | | | | |
| Caisse Nat Energie 0 92 | [illegible] | | | | | |
| Caisse Nat Tele 7¾ 93 | [illegible] | | | | | |
| E.C.S.C. 7½ 93 | [illegible] | | | | | |
| E.E.C. 7¾ 95 | [illegible] | | | | | |
| E.E.C. 8 94 | [illegible] | | | | | |
| Escom 8½ 90 | [illegible] | | | | | |
| Eurofima 7½ 91 | [illegible] | | | | | |
| Ferrovie Dello 8¾ 00 | [illegible] | | | | | |
| H.J. Heinz Int 8¾ 00 | [illegible] | | | | | |
| [illegible] | | | | | | |

| SWISS FRANC STRAIGHTS (continued) | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Gothenburg Airport 6 93 | 50 | 100 | 100⅛ | −0⅛ | 0 | 5.58 |
| HCA Finance 5 93 | 100 | 99 | 99⅛ | +0⅛ | 0 | 5.25 |
| Manitoba Prov 5½ 93 | 100 | 101⅞ | 102½ | +0⅛ | +0⅝ | 4.99 |
| Nippon Express Co 0 93 | 50 | 100⅜ | 101 | 0 | −0⅜ | 5.87 |
| Nippon Kokan 5⅝ 93 | 100 | 96 | 96¼ | −0⅛ | −0⅛ | 5.10 |
| Norsk Hydro 5½ 98 | 100 | 99⅛ | 99½ | −0⅛ | 0 | 5.66 |
| O.K.G. 6¾ 93 | 80 | 102 | 102¼ | −0½ | −0⅛ | 6.44 |
| Quebec 5¾ 92 | 100 | 102 | 102⅛ | −0⅛ | 0 | 5.46 |
| Sekisui House 6 92 | 100 | 100½ | 100⅞ | −0⅛ | −0⅛ | 5.91 |
| Shikoku Elec Pow 5⅝ 93 | 100 | 98 | 98¼ | −0⅛ | +0⅛ | 5.80 |

| FLOATING RATE NOTES (continued) | Spread | Bid | Offer | C.date | C.cpn | C.yld |
|---|---|---|---|---|---|---|
| B.F.C.E. 5⅛ 00 | 0⅛ | [illegible] | 100⅝ | 18/5 | 8⅝ | 8.71 |
| B.F.C.E. 8⅛ 87 | 0⅛ | 99⅝ | 99⅝ | 28/7 | 9⅛ | 9.31 |
| Caisse Nat Tele 2⅛ 00 | 0⅛ | 99⅝ | 100⅛ | 27/7 | 8.84 | 8.85 |
| C.C.F. 8⅛ 95 | 0⅛ | 99⅝ | 99⅞ | 21/10 | 8.56 | 8.80 |
| C.C.F. 5⅛ 98 | 0⅛ | 99⅝ | 100⅛ | 7/10 | 10.10 | 10.20 |
| Copene 5⅛ 88 WW | 0⅛ | 99⅝ | 100¼ | 24/9 | 8.84 | 8.84 |
| Copene 2⅛ 92 | 0⅛ | 99⅝ | 99⅛ | 3/8 | 5⅛ | 5.27 |
| Chemical NY 8½ 94 †† | 8⅛ | 100⅝ | 100⅛ | 18/6 | 8.84 | 5.58 |
| Credit Agricole 0⅛ 97 | 0⅛ | 99⅝ | 100⅝ | 23/8 | 9⅞ | 8.81 |
| Credit du Nord 5⅛ 92 | 0⅛ | 99⅝ | 100⅛ | 24/9 | 10 | 10.01 |
| | | 98⅝ | 98⅛ | 23/8 | 10⅛ | 10.23 |

| CONVERTIBLE BONDS (continued) | Cnv. date | Cnv. price | Bid | Offer | Chg. day | Prem |
|---|---|---|---|---|---|---|
| Minolta Camera 0 00 | 10/81 | 825.4 | 85⅝ | 87½ | −0⅝ | 45.30 |
| Murata 5¼ 90 | 7/81 | 1114 | 110½ | 118⅝ | −0⅝ | 2.64 |
| Nippon Electric 5⅛ 97 | 2/82 | 785.9 | 128⅝ | 130¼ | +0⅝ | 3.61 |
| Nippon Oil Co 2½ 00 | 4/83 | 984 | 97¼ | 98¼ | −0½ | 9.50 |
| Nissan Motor 5⅛ 98 | 4/83 | 770 | 96⅝ | 98 | −0⅝ | −2.58 |
| Olympus Optical 6⅛ 97 | 12/82 | 1331 | 101½ | 103 | −0⅝ | 3.64 |
| Orient Finance 5⅛ 97 | 3/82 | 927.2 | 100 | 110½ | +2⅞ | 5.70 |
| Sumitomo Electric 5½ 97 | 3/82 | 577.3 | 99⅞ | 101⅞ | +0⅝ | 2.45 |
| Sumitomo Metal 6⅛ 96 | 10/81 | 296.1 | 80¼ | 81⅞ | −0⅛ | 52.86 |
| Sanyo Electric 3½ 93 SF | 5/83 | 501 | 104 | 105 | +0⅛ | 1.54 |
| Sharp Corp 3½ 93 SF | 3/83 | 1190 | 111½ | 113½ | −0⅝ | −0.55 |
| Konishiroku 6⅛ 88 DM | 6/82 | 610 | 111⅞ | 112⅝ | −1⅞ | 4.29 |
| Mitsubishi Heavy 6 88 DM | 2/82 | 283 | 107⅞ | 108⅝ | 0 | 17.12 |
| Sun Realty 6⅛ 92 DM | 2/83 | 365 | 117 | 117⅝ | +0⅝ | 1.14 |

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. Cu. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.





# Market sees launch of $400m bonds

**BY MARY ANN SIEGHART IN LONDON**

THE EURODOLLAR bond market surged ahead yesterday, opening a window for a spate of new issues. $400m worth of bonds were launched and more are said to be on their way.

The biggest of the day was a $200m issue for Ontario Hydro, a regular borrower and a triple-A rated name. Led by Deutsche Bank, the seven-year, 10¾ per cent bond was priced at par, having previously been *rumoured at 99½*. The issue was well-received and traded in the pre-market at a 1 point discount, within its 1¾ per cent selling concession.

Manufacturers Hanover's two-tranche $150m bond was not so successful. *It comprises one tranche of* $50m for five years and one of $100m at seven years, both paying 10¾ per cent at par and led by the bank itself. The bond has been issued for interest rate and currency swap purposes.

*Market participants showed sur*prise that both tranches carried the same coupon, given the existence of the 'yield curve' which shows that longer bonds have to pay higher interest. The yield difference between five and seven year Eurodollar *bonds is, on average, around* 30 basis points, or 0.3 per cent. Both tranches sold in the grey market outside their selling concessions – the five-year at a 1⅛ point discount, and the seven year at around 1¾.

Morgan Stanley led a $50m deal for Weyerhaeuser Capital Corporation, a subsidiary of the U.S. forest products company of the same name. The bond is guaranteed by Weyerhaeuser Real Estate, which is wholly owned by the parent company. The seven-year issue has a coupon of 10½ per cent at par, and sold well at a discount of around 1 point.

The dollar secondary market was buoyed up by the success of the three-year Treasury auction in the U.S. on Tuesday. Prices rose by about ¼–⅜ point in active trading, with substantial retail interest being noted.

A package of convertibles for Honda is expected soon – a $100m issue at around 5¾ per cent from Nikko Securities today or tomorrow and two issues in Switzerland next week. There should be a SwFr 100m public issue and a SwFr 100m private placement, with the terms to be set later by UBS.

The Swiss secondary market closed little changed on the day, while the German market gained about ½ point on the back of a bullish New York bond market.



## EQUITIES

| Issue price | Amount paid up | Latest Renunc. date | 1983 High | 1983 Low | Stock | Closing price | + or − |
|---|---|---|---|---|---|---|---|
| 140 | F.P. | 10.4 | 145 | 127 | Airship Inds | 127 | −1 |
| [illegible] | | | | | | | |

## FIXED INTEREST STOCKS

| Issue price £ | Amount paid up | Latest Renunc. date | 1983 High | 1983 Low | Stock | Closing price | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | |

## "RIGHTS" OFFERS

| Issue Price | Amount paid up | Latest Renunc. date | 1983 High | 1983 Low | Stock | Closing price | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | |

Renunciation date usually last day for dealing free of stamp duty. [illegible]

## EUROPEAN OPTIONS EXCHANGE

| Series | | May Vol. | May Last | Aug. Vol. | Aug. Last | Nov. Vol. | Nov. Last | Stock |
|---|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | | |
| 7½ NL 82 89 92 | | | | | | | | |
| C | F.97.50 | – | – | 8 | 1.10 | 104 | 2.20 | F.98.10 |
| C | F.100 | – | – | 130 | 0.80 | 500 | 1.30 | " |
| C | F.102.50 | 6 | 0.10 | – | – | – | – | " |
| P | F.100 | 100 | 2 | 10 | 3.60 | – | – | " |
| P | F.102.50 | 12 | 5 | – | – | – | – | " |

TOTAL VOLUME IN CONTRACTS 12,072

A – Asked B = Bid C – Call P – Put

## SECTION III CONTENTS



SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Thursday May 5 1983

Malaysia seeks world leadership in cocoa, Page 37

WALL STREET

# Confidence restored by auction

CONFIDENCE returned to Wall Street yesterday following the successful outcome of the first of the three Treasury financing auctions due this week, *writes Terry Byland in New York.*

Both share and credit sectors extended the gains chalked up late in the previous session on the news of yields of 9¾ per cent at the auction of Treasury three-year notes – considerably lower than expected.

Hopes ran high yesterday ahead of the auction of $4.75bn 10-year Treasury notes due at the close of the market. Trading on a yield-only basis, the notes offered 10.18 per cent, compared with 10.24 per cent on Monday.

Shares had a busy but erratic session. Substantial gains at mid-session were wiped out later when buyers backed away for a while. But the market closed firmly in anticipation of good news from the Treasury auctions.

The Dow Jones Industrial average gained 4.64 to 1,212.65 on turnover of 102.1m shares. A total of 1,144 shares recorded gains against only 521 recording declines – an indication that buyers predominated in the wider market.

There was strong demand for rail shares, which are expected to be among the first to benefit from an upturn in U.S. industry.

Shares in CSX, the heir to the Chessie rail system, which hauls chemicals, coal and motor vehicles from the Eastern and mid-Western states, added $1½ to $63¾.

Airline shares responded strongly to the announcement of increased passenger traffic from Eastern Airlines and from American Airlines. UAL put on $1¼ to $69¼, Eastern gained $⅜ to $7½ and Pan American, at $5¾ also showed a rise of $⅜.

The market misread the results from Eastman Kodak, whose shares touched $87 before reacting in heavy trading to close $2½ down at $79¼ after further examination of the trading statement.

There was a gain of $1 in IBM to $116½ and other well known names to move up included Honeywell, $6 higher at $118¾, Exxon $¼ up at $35½ and American Express $¾ up at $65¾.

Two weak features were Merrill Lynch, the major brokerage house, which fell a further $1⅛ to $93½ on the announcement of a $8m convertible debt issue, and Warner Communications, a further $⅝ off at $32 in busy trading as recent bearish reports from investment houses took effect.

In the credit market, where the strength of demand at the Treasury auctions raised hopes of another cut in the Federal discount rate in the not too distant future, Treasury bill yields fell by around four basis points.

Meanwhile, near dated bills stood at discounts below 8 per cent, the three-month bills at 7.9 per cent and the six-month bills at 7.97.

In the Government bond market, the benchmark 10⅜ per cent of 2,012, of which a further tranche will be auctioned today, closed at 101, its highest level for six months.

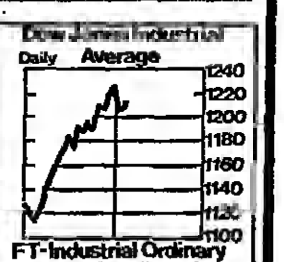
The strength of demand from the banks at the auction indicated confidence in the prospects of selling Treasury issues in the retail market. Some retail interest was reported yesterday but dealers commented that buyers were holding back until completion of this week's Treasury funding moves.

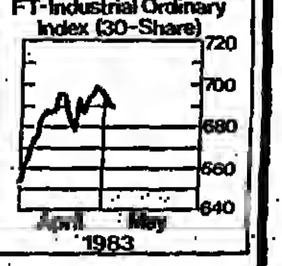
Corporate bond prices added ½ a point or so in response to the firmness of the Treasury bond sectors. But municipal bonds drifted on a lack of investor interest.

Tuesday's late afternoon rally continued in **Toronto**, where gains over a broad range were led by strong advances in golds, oils, transport and pipeline stocks. Financial and property issues were weaker, however.

Industrials and utilities set a firmer tone in **Montreal**, but banks and papers turned lower.

## KEY MARKET MONITORS


### STOCK MARKET INDICES

| | May 4 | Previous | Year ago |
|---|---|---|---|
| **NEW YORK** | | | |
| DJ Industrials | 1212.65 | 1208.01 | 854.45 |
| DJ Transport | 531.37 | 515.80 | 348.36 |
| DJ Utilities | 128.79 | 127.91 | 114.39 |
| S&P Composite | 163.31 | 162.34 | 117.46 |
| **LONDON** | | | |
| FT Ind Ord | 689.8 | 692.1 | 575.4 |
| FT-A All-share | 433.32 | 436.85 | 328.52 |
| FT-A 500 | 471.27 | 475.83 | 356.91 |
| FT-A Ind | 433.72 | 437.76 | 323.62 |
| FT Gold mines | 633.3 | 632.0 | 236.3 |
| FT Govt secs | 82.0 | 81.73 | 67.81 |
| **TOKYO** | | | |
| Nikkei-Dow | 8663.04 | 8704.39 | 7457.11 |
| Tokyo SE | 632.53 | 634.87 | 551.62 |
| **AUSTRALIA** | | | |
| All Ord. | 592.6 | 594.2 | 498.7 |
| Metals & Mins. | 524.3 | 527.5 | 363.8 |
| **AUSTRIA** | | | |
| Credit Aktien | 59.48 | 59.2 | 52.47 |
| **BELGIUM** | | | |
| Belgian SE | 122.22 | 122.51 | 94.53 |
| **CANADA** | | | |
| Toronto Composite | 2347.15 | 2318.7* | 1543.0* |
| Montreal Industrials | 400.32 | 396.31* | 282.31* |
| Combined | 390.81 | 387.44* | 265.08* |
| **DENMARK** | | | |
| Copenhagen SE | 138.35 | 138.45 | 93.92 |
| **FRANCE** | | | |
| CAC Gen | n/a | 121.6 | 109.3 |
| Ind. Tendance | 127.3 | 125.9 | 122.2 |
| **WEST GERMANY** | | | |
| FAZ-Aktien | 317.14 | 313.53 | 234.76 |
| Commerzbank | 948.2 | 937.6 | 716.2 |
| **HONG KONG** | | | |
| Hang Seng | 986.64 | 1003.15 | 1319.36 |
| **ITALY** | | | |
| Banca Comm. | 195.52 | 197.06 | 188.17 |
| **NETHERLANDS** | | | |
| ANP-CBS Gen | 124.1 | 123.7 | 93.3 |
| ANP-CBS Ind | 101.8 | 101.0 | 73.0 |
| **NORWAY** | | | |
| Oslo SE | 185.7 | 185.88 | 106.0 |
| **SINGAPORE** | | | |
| Straits Times | 958.82 | 949.8 | 754.93 |
| **SOUTH AFRICA** | | | |
| Golds | 938.6 | 917.8 | 420.8 |
| Industrials | 831.9 | 886.0 | 595.9 |
| **SPAIN** | | | |
| Madrid SE | 110.49 | 110.14 | 123.37 |
| **SWEDEN** | | | |
| J & P | closed | 1426.88 | 575.76 |
| **SWITZERLAND** | | | |
| Swiss Bank Corp | 327.8 | 327.7 | 255.8 |
| **WORLD** | May 3 | Prev | Yr ago |
| Capital Int'l | 176.4 | 176.5 | 136.9 |

### GOLD (per ounce)

| | May 4 | Prev |
|---|---|---|
| London | $432.50 | $433.25 |
| Frankfurt | $433.25 | $433.50 |
| Zürich | $433.50 | $432.50 |
| Paris (fixing) | $437.38 | $432.13 |
| New York (May) | $435.10 | $433.70 |

* Indicates latest pre-close figure

### CURRENCIES

| | U.S. DOLLAR May 4 | U.S. DOLLAR Previous | STERLING May 4 | STERLING Previous |
|---|---|---|---|---|
| £ | 1.5805 | 1.5785 | – | – |
| DM | 2.4455 | 2.4575 | 3.8675 | 3.88 |
| Yen | 236.25 | 237.55 | 373.50 | 375 |
| FFr | 7.3875 | 7.4050 | 11.6775 | 11.6875 |
| SwFr | 2.0570 | 2.0675 | 3.25 | 3.26375 |
| Guilder | 2.7480 | 2.7640 | 4.3450 | 4.3625 |
| Lira | 1459.25 | 1463.50 | 2306.25 | 2310 |
| BFr | 48.85 | 48.91 | 77.13 | 77.20 |
| C$ | 1.22575 | 1.22625 | 1.9385 | 1.9355 |

### INTEREST RATES

| Euro-currencies (three month offered rate) | May 4 | Prev |
|---|---|---|
| £ | 10 7/16 | 10¾ |
| SwFr | 4½ | 4 9/16 |
| DM | 5 1/16 | 5 1/16 |
| FFr | 18 | 14¾ |
| **FT London Interbank fixing** (offered rate) | | |
| 3-month U.S.$ | 8 15/16 | 9 |
| 6-month U.S.$ | 9 | 9 1/16 |
| U.S. Fed Funds | 8⅜ | 8⅜ |
| U.S. 3-month CDs | 8.50 | 8.55 |
| U.S. 3-month T-bills | 8.0 | 8.02 |

**U.S. Treasury Bonds**

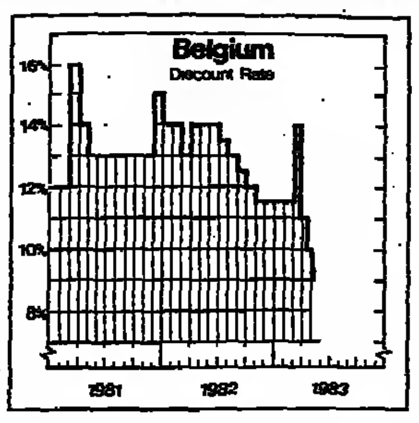
| | May 4 Price | May 4 Yield | Prev Price | Prev Yield |
|---|---|---|---|---|
| 9½ 1985 | 100 22/32 | 9.11 | 100 14/32 | 9.21 |
| 10½ 1990 | 102 16/32 | 10.03 | 101 28/32 | 10.14 |
| 10⅞ 1993 | 104 12/32 | 10.15 | 103 20/32 | 10.25 |
| 10⅜ 2012 | 101 | 10.26 | 100 8/32 | 10.34 |

### FINANCIAL FUTURES

| CHICAGO | Latest | High | Low | Prev |
|---|---|---|---|---|
| **U.S. Treasury Bonds (CBT)** 8% 32nds of 100% | | | | |
| June | 79–22 | 79–25 | 79–03 | 79–01 |
| **U.S. Treasury Bills (IMM)** $1m points of 100% | | | | |
| June | 92.10 | 92.11 | 92.06 | 92.04 |
| **Cert Deposit (IMM)** $1m points of 100% | | | | |
| June | 91.69 | 91.72 | 91.65 | 91.61 |
| **LONDON** | | | | |
| **Three-month Eurodollar** $1m points of 100% | | | | |
| June | 91.35 | 91.35 | 91.27 | 91.21 |
| **20-year Notional Gilt** £50,000 32nds of 100% | | | | |
| June | 106–15 | 106–17 | 106–04 | 105–27 |

### LONDON COMMODITY MARKETS

| | May 4 | Prev |
|---|---|---|
| Silver (spot fixing) | 780.20p | 767.15p |
| Copper (cash) | £1114.75 | £1113.50 |
| Coffee (May) | £1866.50 | £1862.50 |
| Oil (spot Arabian light) | $28.90 | $28.90 |




LONDON

# Gilts shine in dull trading

RENEWED firmness in Government stocks brought some life to an otherwise dull day on London stock markets yesterday.

Leading Industrials looked set for a firm trading session at the opening but soon faltered. In contrast, gilts made further headway, encouraged by the continuing rise in sterling against the dollar and most leading European currencies.

Early demand for gilts was sufficient to exhaust the Government Broker's remaining supplies of the £25 paid tap, Treasury 16½ per cent, 1989, at 25⅝ and the closing price was 25 7/16. This led to a general improvement in other medium-dated stocks by around ½, while longs advanced to close with gains ranging to ¾.

Wall Street's relatively solid overnight performance after Monday's setback and the continuing strength in sterling prompted equity dealers to mark leading shares higher at the opening. Sellers, however, took advantage of the enhanced prices and most quotations drifted back to around previous closing levels by mid-day.

Thereafter, the trend continued slightly easier and the Financial Times Industrial ordinary share index, up 4.5 at the 10 a.m. calculation, closed 2.3 down on balance at 689.8.

Marks and Spencer's preliminary statement failed to meet highest expectations, and profit-taking after recent strength brought the share price back 14p to a close of 201p.

A continuing and acute stock shortage led renewed heavy gains in South African golds for the third successive trading day.

An early rise in the bullion price – it closed 75 cents easier on balance at $432.5 – prompted strong initial buying of golds from Johannesburg.

Prices eased at mid-morning on light profit-taking, but resumed their upward path in afternoon dealings as renewed and substantial interest became apparent ahead of the Wall Street opening.

Later activity was much reduced and generally confined to small scale profit-taking, which left the majority of stocks slightly below the day's best levels.

*Share Information service, Pages 38–39.*

AUSTRALIA

# Resources ease

PROSPECTS of a number of major rights issues by leading resource groups robbed **Sydney** prices of their early buoyancy yesterday. Wall Street's late rally and an upward shift in world gold prices were behind the early gains, but an announcement by Bridge Oil of a A$61m share sale marked a reversal for resource stocks which took the All Resources index back 3.6 points to 470.8 and the All Ordinaries down 1.6 to 592.8.

SOUTH AFRICA

# Golds fade

STRONG early demand led by gold shares in the wake of a rising bullion price petered out in **Johannesburg** and stocks eased from the day's highs. Trading was quiet and other mining stocks, mining financials and industrials were steady.

FAR EAST

# Tokyo takes it easy for a day

PROFIT taking by foreign investors sent prices tumbling in **Tokyo** yesterday. But trading was light and, despite heavy selling which set the Nikkei-Dow Jones index back 41.35 points to 8663.04, brokers were confident the turnround was too small to indicate a future downward trend. Selling yesterday – which came between two national holidays – was simply a reaction to the rapid advance of the six previous sessions, they felt.

Electrical, motor and precision engineering sectors led the decline in blue chips but pharmaceuticals, out of favour for the past three months, benefited from increased demand at current low prices.

Oils also gained on reports that Mitsubishi Oil would resume dividend payments and broker forecasts of a return to profits in the sector.

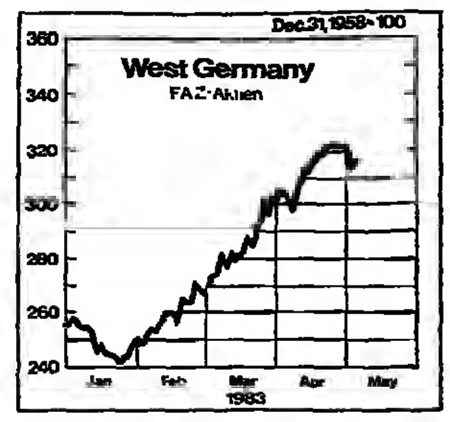
The second market continued to rise in active trading, with the index adding 2.47 to a new high of 1060.83.

In **Singapore**, shares regained ground in active dealing following the profit taking of recent sessions. Wall Street's late rally provided an upward impetus which showed particularly in bank and plantation stocks, and the Straits Times index put on 9.22 to finish at a high for the year of 958.82.

Shipyards and cement makers also gained, but properties, motors and industrials were mixed.

Fears of an increase in local interest rates following the weakness of the Hong Kong dollar left equities easier. Investors expect the Hong Kong Association of Banks to announce a rise at its weekly meeting on Friday.

A further factor in the Hang Seng index's 26.51 slide to 986.64 was an unconfirmed report of financial problems at construction group Hsin Ching, which brought out wider worries about the market's strength. Hsin Ching fell 20 cents to 82 cents.




EUROPE

# A firmer trend returns

A FIRMER trend prevailed in European bourses yesterday as investors drew encouragement from Wall Street's rally, late on Tuesday. But the absence of any more positive influence meant that the previous day's losses were not entirely recoverd.

In **Frankfurt**, major issues rebounded vigorously in early trading and despite a slackening of interest towards the close, the FAZ index showed a gain of 3.81 points to 317.14. The Commerzbank index was 10.6 ahead at 948.2.

A mixed motors sector was distinguished by the erratic movement of Daimler-Benz shares, which opened at DM 550, DM 12.70 above Tuesday's close, but finished at DM 543 for a net gain of DM 5.70 after the company announced an increased dividend and plans for a rights issue. BMW failed to hold early gains and closed 30pf lower at DM 341.20, while VW put on DM 1 to DM 178 after touching DM 181.50.

AEG, which sank to a low of DM 22.20 at the height of its payments crisis last year, was a leader in electricals, adding DM 4.40 to DM 71.20 after a high of DM 73.90.

Bayernhypo led a generally firm banking sector with a DM 4.90 gain to DM 316.90. Deutsche was unchanged at DM 332, however.

Deutsche Babcock led engineering advances to close at the day's high of DM 169 for a gain of DM 5, and in metals Degussa advanced DM 5.90 to DM 319.90 and Metallgesellschaft DM 5 to DM 240.

Domestic bond prices were narrowly mixed and the Bundesbank sold DM 23.2m of paper after buying DM 26.4m a day earlier.

Stocks turned mixed in a mild bout of profit taking after opening fairly firmly in **Amsterdam**. Market indicators showed marginal gains at the close despite losses in a number of internationals, including Philips, off 80 cents at Fl 44.50 and Unilever, down 70 cents at Fl 208.70.

Banks were mainly stronger, Amro closing Fl 2.10 up at Fl 58.90 and mortgage bank WUH jumping Fl 6.20 to Fl 126.

Shipping stocks were weak amid rumours of impending further bad news for the sector, brokers said.

A half-point cut in the Belgian bank rate had been discounted in advance in **Brussels**, where domestic issues remained steady and foreign stocks logged modest gains. The view persists among brokers, however, that the market is still on an upward path.

Equity purchases as a hedge against possible renewed speculative pressure on the French franc underpinned a broad-based advance in **Paris**.

A strong foods sector – led by Carrefour with a FFr 7 gain to FFr 1,445 – and demand for oils carried the market higher, though there was some selective selling among banks, engineerings, metals and chemicals.

In **Zurich**, prices edged upwards after easing in early trading, with solid gains in banking including UBS, up SwFr 40 to SwFr 3,290 and Bank Leu, SwFr 50 ahead at SwFr 4,100.

Bond prices closed steady on thin volume.

Modest advances in light trading brought a marginally firmer tone in **Madrid**. Most leading bank stocks were unchanged, but Bilbao, Banesto and Santander gained.

In **Milan**, prices closed lower for the second day as selling prevailed. Centrale, Fiat, Dalmine and Pirelli led the decline.

# NEW YORK STOCK EXCHANGE CLOSING PRICES

| 12 Month High | Low | Stock | Div. | Yld. | P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | | | | |

B—B—B

| 12 Month High | Low | Stock | Div. | Yld. | P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| BMC | s .40 | 1.7 | 15 | 410 | 22⅝ | 21¼ | 22⅜ | | | |
| 33 | 14¼ | Bamco | .50 | 1.3 | 10 | 254 | u34 | 32¾ | 34 | +2 |
| 34⅛ | 16 | BkrIntl | .92 | 4.3 | 11 | 1602 | 16⅝ | 15⅝ | 12 | +⅛ |
| 25⅞ | 16⅝ | Baldor | .32 | 1.3 | 17 | 30 | 20⅞ | 20 | 20⅜ | −⅛ |
| 50⅝ | 3 | BaldU | s .88 | 9.3 | 3 | 2321 | 9⅝ | 9⅝ | 9 | −⅛ |
| 151 | 28 | BldU | pf2.60 | 6.9 | | 13 | 30 | 29 | 50 | +1½ |
| 34½ | 17⅞ | BallCp | a1.84 | 3.1 | 11 | 60 | 34⅞ | 33⅝ | 34 | +⅛ |
| 32⅛ | 18⅝ | BallyMf | .20 | .8 | 9 | 4550 | 24⅞ | 24⅛ | 24⅜ | −⅛ |
| 31⅛ | 24⅜ | BanGE | 2.84 | 9.3 | 8 | 251 | 30⅞ | 29⅞ | 30⅜ | +⅛ |
| 42½ | 25 | Ban | pf3.84 | 5.8 | 11. | z210 | 40⅞ | 40⅞ | 40⅞ | −1 |
| 37⅞ | 14⅜ | BanCal | 1.20 | 3.3 | 17 | 104 | 34⅜ | 33⅞ | 33⅝ | −1⅛ |
| 8⅞ | 5½ | BanTex | .20 | 3.5 | 16 | 295 | 6⅜ | 5⅝ | 5⅜ | +⅛ |
| 54½ | 22⅞ | Bendeg | 1.1 | 19 | 18 | 142 | 53⅝ | 52⅝ | 53⅝ | +⅛ |

[illegible]



Continued on Page 35

# AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

[illegible]

Continued on Page 36

# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 34

[illegible]

V–V–V

| 12 Month High | Low | Stock | Div. Yld. P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|
| 72¾ | 20 | VFCp | s1 80 2.2 12 | 275 | 71⅞ | 69⅝ | 71⅞ | +2⅛ |
| 27¼ | 13½ | Valero | 40 1.6 8 | 504 | 24⅝ | 24¼ | 24⅝ | +⅝ |
| 6⅞ | 4 | Valeyln | | 202 | 6¾ | 6⅝ | 6¾ | +⅝ |
| 21⅞ | 12 | VanDrn | 1 12 5.1 18 | 39 | 19¾ | 19⅝ | 19⅝ | +⅛ |
| 11 | 4⅞ | Varco | | 141 | 6⅛ | 5⅞ | 6⅛ | +¼ |
| 47½ | 16½ | Varlan | s.26 .6 24 | 1077 | 45⅞ | 44¼ | 44¼ | −⅛ |
| 14 | 8⅝ | Varo | 40 3.0 | 177 | 13⅜ | 12⅞ | 13¼ | |
| 29¾ | 8⅛ | Veeco | .24 .9 30 | 401 | 27⅞ | 27¼ | 27⅝ | +⅜ |
| 15 | 4 | Vendo | 22 | 96 | 11⅛ | 10⅞ | 11 | +¼ |
| 11⅞ | 8⅞ | VestSe | 1.24 12. | 37 | 10⅝ | 10½ | 10½ | −⅛ |

Continued on Page 36

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full

# WORLD STOCK MARKETS

## FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

| | EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section) | Wed May 4 1983 Index No. | Day's Change % | Est. Earnings Yield % (Max.) | Gross Div. Yield % (ACT at 30%) | Est. P/E Ratio (Net) | Tues May 3 Index No. | Fri April 29 Index No. | Thur April 28 Index No. | Wed April 27 Index No. | Year ago (approx.) Index No. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (206) | 472.29 | −0.8 | 8.93 | 3.66 | 15.22 | 476.10 | 477.01 | 479.58 | 483.81 | 378.91 |
| 2 | Building Materials (23) | 439.78 | −0.3 | 9.52 | 4.50 | 12.93 | 441.21 | 444.09 | 441.78 | 443.23 | 333.17 |
| 3 | Contracting, Construction (30) | 776.03 | −0.9 | 11.58 | 4.42 | 10.44 | 783.10 | 792.03 | 790.64 | 786.03 | 619.72 |
| 4 | Electricals (33) | 1772.74 | −1.4 | 6.78 | 1.97 | 19.06 | 1798.38 | 1795.56 | 1813.19 | 1847.87 | 1340.94 |
| 5 | Engineering, Contractors (10) | 497.61 | +0.6 | 14.38 | 6.08 | 8.58 | 494.43 | 498.82 | 502.97 | 503.86 | 488.76 |
| 6 | Mechanical Engineering (64) | 221.38 | — | 10.98 | 5.24 | 11.37 | 221.47 | 222.77 | 223.21 | 225.27 | 198.54 |
| 8 | Metals and Metal Forming (11) | 182.83 | −0.5 | 9.77 | 6.39 | 12.54 | 183.68 | 184.96 | 186.95 | 187.38 | 165.16 |
| 9 | Motors (18) | 103.97 | −0.4 | — | 5.20 | — | 104.41 | 103.92 | 103.81 | 104.28 | 93.86 |
| 10 | Other Industrial Materials (27) | 453.25 | −0.3 | 7.20 | 4.94 | 18.25 | 454.39 | 454.29 | 457.35 | 456.18 | 375.83 |
| 21 | CONSUMER GROUP (201) | 429.14 | −0.9 | 9.95 | 4.23 | 12.21 | 433.14 | 437.04 | 439.64 | 438.80 | 305.80 |
| 22 | Brewers and Distillers (23) | 465.98 | −1.0 | 10.91 | 4.61 | 11.29 | 470.87 | 473.81 | 477.63 | 471.35 | 303.28 |
| 25 | Food Manufacturing (21) | 331.57 | −1.2 | 13.50 | 5.77 | 8.69 | 335.67 | 338.58 | 343.16 | 344.61 | 272.84 |
| 26 | Food Retailing (14) | 862.12 | +0.1 | 7.41 | 2.83 | 16.98 | 861.57 | 869.25 | 868.41 | 862.37 | 617.92 |
| 27 | Health and Household Products (8) | 829.68 | −0.4 | 5.16 | 2.27 | 23.04 | 832.71 | 843.97 | 844.96 | 848.51 | 440.44 |
| 29 | Leisure (24) | 552.03 | +0.2 | 7.17 | 4.39 | 18.28 | 550.83 | 554.91 | 556.46 | 554.35 | 409.73 |
| 32 | Newspapers, Publishing (24) | 824.64 | −0.1 | 9.99 | 3.95 | 12.17 | 825.64 | 825.46 | 833.52 | 826.34 | 528.93 |
| 33 | Packaging and Paper (14) | 152.29 | −0.8 | 13.44 | 6.52 | 8.80 | 153.48 | 154.10 | 156.51 | 157.91 | 144.78 |
| 34 | Stores (48) | 376.01 | −2.5 | 8.05 | 3.66 | 16.56 | 385.68 | 388.91 | 391.39 | 390.40 | 279.43 |
| 35 | Textiles (22) | 206.18 | +1.6 | 12.65 | 5.43 | 9.46 | 202.99 | 204.54 | 205.68 | 206.66 | 173.65 |
| 36 | Tobaccos (3) | 439.29 | — | 21.73 | 7.03 | 5.15 | 439.48 | 445.42 | 447.49 | 447.02 | 336.08 |
| 39 | Other Consumer (10) | 383.95 | −0.5 | 6.58 | 3.77 | — | 385.97 | 387.12 | 389.84 | 389.83 | 290.89 |
| 41 | OTHER GROUPS (79) | 345.57 | −1.2 | 8.60 | 4.76 | 14.40 | 349.82 | 352.17 | 355.58 | 355.43 | 253.00 |
| 42 | Chemicals (15) | 478.42 | −1.6 | 8.35 | 5.06 | 14.96 | 486.12 | 489.86 | 497.46 | 494.94 | 335.43 |
| 44 | Office Equipment (6) | 107.14 | −0.3 | 8.23 | 5.30 | 15.64 | 107.42 | 108.84 | 109.06 | 108.19 | 111.52 |
| 45 | Shipping and Transport (14) | 661.39 | −0.6 | 11.44 | 6.15 | 10.60 | 665.38 | 676.98 | 676.14 | 680.60 | 560.60 |
| 46 | Miscellaneous (44) | 460.74 | −1.1 | 8.21 | 4.12 | 15.01 | 466.01 | 467.35 | 470.78 | 472.31 | 323.80 |
| 49 | INDUSTRIAL GROUP (486) | 433.72 | −0.9 | 9.20 | 4.11 | 13.42 | 437.76 | 440.49 | 443.25 | 444.13 | 323.62 |
| 51 | Oils (14) | 883.44 | −1.2 | 12.56 | 6.62 | 9.68 | 893.76 | 891.66 | 882.12 | 883.09 | 732.72 |
| 59 | 500 SHARE INDEX | 471.27 | −1.0 | 9.74 | 4.51 | 12.63 | 475.83 | 478.34 | 479.84 | 480.73 | 356.91 |
| 61 | FINANCIAL GROUP (121) | 321.69 | −0.5 | — | 5.77 | — | 323.34 | 325.97 | 328.19 | 326.40 | 247.06 |
| 62 | Banks (6) | 349.47 | −0.3 | 25.62 | 7.07 | 4.31 | 350.69 | 354.08 | 354.68 | 353.90 | 262.36 |
| 63 | Discount Houses (8) | 307.99 | −0.2 | — | 8.02 | — | 308.11 | 308.82 | 313.57 | 312.57 | 223.06 |
| 65 | Insurance (Life) (9) | 402.88 | −0.8 | — | 5.40 | — | 406.25 | 410.57 | 415.44 | 411.82 | 268.63 |
| 66 | Insurance (Composite) (10) | 216.67 | −0.6 | — | 6.93 | — | 218.06 | 219.65 | 220.69 | 215.63 | 152.19 |
| 67 | Insurance Brokers (7) | 606.19 | +0.5 | 10.84 | 4.89 | 12.64 | 603.25 | 605.93 | 606.86 | 604.93 | 408.49 |
| 68 | Merchant Banks (13) | 168.68 | — | — | 5.15 | — | 168.62 | 169.87 | 169.47 | 168.38 | 145.50 |
| 69 | Property (54) | 465.83 | −1.0 | 5.65 | 3.81 | 23.63 | 470.43 | 472.52 | 480.74 | 482.93 | 427.93 |
| 70 | Other Financial (14) | 246.31 | +0.2 | 10.59 | 5.41 | 11.42 | 245.88 | 249.43 | 248.80 | 250.59 | 171.17 |
| 71 | Investment Trusts (109) | 409.55 | — | — | 4.18 | — | 409.39 | 413.51 | 417.22 | 419.32 | 296.61 |
| 81 | Mining Finance (4) | 283.04 | −0.1 | 7.07 | 5.02 | 18.50 | 283.35 | 283.29 | 280.93 | 283.61 | 211.52 |
| 91 | Overseas Traders (16) | 452.99 | −0.8 | 9.11 | 8.05 | 15.58 | 456.42 | 458.35 | 456.74 | 457.15 | 374.52 |
| 99 | ALL-SHARE INDEX (750) | 433.32 | −0.8 | — | 4.75 | — | 436.85 | 439.29 | 441.66 | 440.51 | 328.52 |

### FIXED INTEREST

### AVERAGE GROSS REDEMPTION YIELDS

## NEW HIGHS AND LOWS FOR 1983

## ACTIVE STOCKS

| Stock | Closing price | Day's change |
|---|---|---|
| Arlen Elec. | 360 | −18 |
| Bilt. Home Stores | 220 | − 6 |
| Gold Fields S.A. | £93 | + 3¾ |
| Grand Met. | 337 | − 6 |
| ICI | 486 | −10 |
| Land Sec. | 312 | − 3 |
| Marks & Spencer | 207 | −14 |
| Sabina | 95 | +15 |
| Shell Trans. | 492 | − 6 |
| Sotheby's | 460 | −73 |
| Stilfontein | £13⅛ | + 2 |
| Tridant TV A | 89½ | − 9½ |

## RISES AND FALLS

| | Rises | Falls | Same |
|---|---|---|---|
| British Funds | 61 | 7 | 30 |
| Corpns. Dom. & Foreign Bonds | 20 | 2 | 56 |
| Industrials | 187 | 349 | 803 |
| Financial & Props. | 77 | 118 | 325 |
| Oils | 15 | 40 | 56 |
| Plantations | 8 | — | 14 |
| Mines | 67 | 15 | 71 |
| Others | 59 | 68 | 54 |
| Totals | 494 | 599 | 1,109 |

## FINANCIAL TIMES STOCK INDICES

| | May 4 | May 3 | April 29 | April 28 | April 27 | April 26 | year ago |
|---|---|---|---|---|---|---|---|
| Government Secs. | 82.00 | 81.73 | 81.55 | 82.30 | 81.60 | 81.71 | 67.67 |
| Fixed Interest | 83.80 | 83.64 | 83.72 | 83.71 | 83.71 | 83.72 | 68.28 |
| Industrial Ord. | 689.8 | 692.2 | 695.3 | 696.8 | 699.0 | 695.2 | 575.4 |
| Gold Mines | 663.3 | 638.0 | 613.7 | 610.5 | 647.4 | 644.3 | 236.3 |
| Ord. Div. Yield | 4.54 | 4.58 | 4.50 | 4.48 | 4.47 | 4.49 | 5.54 |
| Earnings, Y'ld % (full) | 0.14 | 9.10 | 9.06 | 8.16 | 8.18 | 8.16 | 11.52 |
| P/E Ratio (net) (*) | 15.28 | 13.34 | 15.40 | 13.23 | 25.26 | 13.22 | 10.87 |
| Total bargains | 24,183 | 19,556 | 83,458 | 25,765 | 25,868 | 22,509 | 16,049 |
| Equity turnover £m. | — | 214.85 | 258.30 | 280.46 | 289.87 | 220.65 | 130.0 |
| Equity bargains | — | 21,828 | 81,606 | 23,747 | 21,713 | 21,261 | 12,638 |
| Shares traded (ml) | — | 182.8 | 170.5 | 173.7 | 169.4 | 123.1 | 100.6 |

10 am 696.6 11 am 692.9. Noon 692.9. 1 pm 691.8. 2 pm 691.0. 3 pm 690.0.

Basis 100 Govt. Secs. 18/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-248 8026.

Nil = 12.40.

## HIGHS AND LOWS

## S.E. ACTIVITY

## Indices

### NEW YORK - DOW JONES

| | May 4 | May 3 | May 2 | Apr 29 | Apr 28 |
|---|---|---|---|---|---|
| Industrials | 1212.65 | 1208.01 | 1204.33 | 1226.2 | 1218.52 |
| Transport | 531.37 | 515.8 | 516.44 | 524.94 | 522.19 |
| Utilities | 128.97 | 127.91 | 127.91 | 128.41 | 127.77 |
| Trading vol 1000s | 18189 | 8955 | 8817 | 18675 | 8441 |

### STANDARD AND POORS

| | May 4 | May 3 | May 2 | Apr 29 | Apr 28 |
|---|---|---|---|---|---|
| Industrials | 183.29 | 182.38 | 182.03 | 184.72 | 182.92 |
| Composite | 163.31 | 162.34 | 162.11 | 164.42 | 162.95 |

| | Apr 27 | Apr 20 |
|---|---|---|
| Ind. div. yield % | 4.81 | 4.04 |
| Ind. P/E Ratio | 13.88 | 13.75 |
| Long Gov Bond Yield | 10.35 | 10.44 |

### N.Y.S.E. ALL COMMON

| May 4 | May 3 | May 2 | Apr 29 | 1983 High | 1983 Low |
|---|---|---|---|---|---|
| 93.75 | 93.14 | 93.04 | 94.27 | 94.27 | 79.79 |

# AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 35

## NEW YORK

Continued from Page 35

# COMMODITIES AND AGRICULTURE

## EEC sugar export allotments up sharply

By Our Commodities Staff

THE EEC Commission authorised sugar exports totalling 65,000 tonnes at its weekly tender in Brussels yesterday, the highest allotment for many weeks. Last week's figure was only 20,250 tonnes and in late March export allotments slipped as low as 5,000 tonnes.

The very low authorisations made in March were attributed to the uncertainties following the realignment of the European Monetary System (EMS) but recent depressed levels have been put down to traders holding off the market while awaiting the opening of a new supplementary EEC export series covering the July-September delivery period.

This opened yesterday and it dominated trade interests, accounting for 40,000 tonnes of the white sugar authorisations and 24,500 tonnes of the raws. Only 500 tonnes worth of export licences were granted under the old series.

The total authorisation was somewhat larger than had been expected by most traders and was therefore seen as slightly bearish. But on the London futures market prices firmed marginally with the October position closing £0.40 to £146.575 a tonne.

After opening higher following a late precious metals rally in New York overnight the market was supported by continued reports of substantial Soviet buying and concern about wet weather delays to planting in European growing areas.

In Santo Domingo sugar officials denied rumours that the Dominican Republic had sold 130,000 tonnes of sugar to Cuba. They said however, that it appeared that a third party had recently bought 130,000 tonnes of Dominican sugar for resale to Cuba.

They said the third party apparently was a New York based trading house.

## French farmers' average income increases by 9.1%

BY PAUL BETTS IN PARIS

FRENCH FARMERS, currently lobbying and battling for the dismantling of the European Community's complex and controversial system of monetary compensatory amounts (MCA) on agricultural products, had their best year in a decade last year.

The average income of French farmers rose by 9.1 per cent in 1982, the government agricultural statistics commission announced yesterday. The increase represented the biggest rise since 1973 and confirmed the recovery in farm income which started in 1981.

After seven years of consecutive declines, average farm income in France rose 1.7 per cent in 1981.

But the latest farm figures are misleading in that the strong advance in farm income last year reflects a particularly strong performance in some sectors and continued weakness and in some cases deteriorating conditions in others.

Moreover, farm incomes have yet to reach the level of 1973 which was an exceptionally good year for French agriculture.

Farm production last year rose by 8.7 per cent in France but again the average masks large differences from sector to sector.

The big gainers where cereal producers and quality wine growers, especially champagne producers who had an excellent year. Wine growers saw their income rise 57 per cent last year while cereal producers saw their income increase by 12 per cent. In contrast, fruit producers saw their income decline 13 per cent while cattle breeders saw their income fall 4 per cent last year.

## Reynolds subsidiary in row over bauxite contract

BY CANUTE JAMES IN KINGSTON

THE mining subsidiary of Reynolds Metals and an agency of the Jamaican Government are involved in a public quarrel about mining 1m tonnes of bauxite this year which the U.S. is buying for its strategic mineral stockpile.

The mining for the contract was expected to be shared by Reynolds, and the mining subsidiary of Kaiser Aluminium. They shared mining for a stockpile contract of 1.6m tonnes last year.

Mr Donald Phillips, general manager of the Reynolds operation, said his company had been told by the Government that it would not be taking part in the mining for the stockpile. Consequently, the company had fired 100 workers.

The move was attacked by Mr Hugh Hart, chairman of the Jamaican Bauxite Institute, a state agency which oversees the industry.

Mr Hart said the move by Reynolds represented "callousness and blackmail." According to Mr Hart, Reynolds had been inflexible in earlier talks with the Government on mining quantities and costs this year, and offered to change its position if it were offered all 1m tonnes of the stockpile sale.

The Government refused, and offered Kaiser the contract

## Australian wool price increase sought

MELBOURNE — The Wool Council of Australia agreed to seek an increase of up to 2.5 per cent in the minimum floor price for wool in the 1983/84 wool selling season, beginning July 1.

The market indicator floor was raised 2.9 per cent to 422 cents from 410 cents a kilo clean at the start of the current wool selling season but was subsequently lifted by 7.5 per cent to 454 cents after the 10 per cent devaluation of the Australian dollar in March.

Meanwhile the Australian shearers' strike has disrupted wool receivals and forced the cancellation of several wool sales this month, Mr Neville Gorman, joint-chairman of the Wool Selling Organisation said.

● DARJEELING District tea production is expected to be cut by at least 10 per cent in 1983 from last year's 11.6m kilos because of continuing drought, industry sources said.

● THE POLISH Government is experiencing difficulties in concluding grain supply agreements with private farmers, the West German publication East Bloc Agricultural Newsletter said.

● BRAZILIAN cocoa arrivals in the 1982-83 season, ending April 30, totalled 5,262,845 bags, compared with 4,533,697 bags in 1981-82, trade sources said. Purchases in 1982-83 were 5,309,206 bags against 4,562,239 in 1981-82.

● U.S. red meat and poultry production this year is projected at 53.181m lb—2 per cent above last year's level, the U.S. Agriculture Department said.

● GUYANA'S first rice harvesting was disrupted by heavy rainfall and only 33 per cent of the 122,000 acres under cultivation have been reaped, the Guyana rice board said.

MALAYSIAN COCOA

## Aiming to be world leader

BY WONG SULONG IN KUALA LUMPUR

IN SPITE OF depressed prices, reports of recurring surpluses in the future, and the outbreak of two serious diseases, Malaysia is pushing relentlessly ahead with the cultivation of cocoa.

The aim is to become the world's leading cocoa producer before the end of the century.

Rubber came from South America, the oil palm from West Africa. Today Malaysia is the biggest producer of both. Cocoa is also alien to Malaysia—but its roots are spreading as rapidly as oil palm did in the 1960s.

"Malaysia has the best prospects among the cocoa producing countries. It is highly efficient and it ships and delivers on time," said Mr Anthony Weldon of the London-based Cocoa Merchants.

Ten years ago, cocoa did not feature in Malaysia's trade. Last year, 55,000 tonnes were exported. This is equivalent to 3 per cent of the world's exports, and is small when compared with 385,000 tonnes from the Ivory Coast and 270,000 tonnes from Brazil.

Cocoa prices declined on the London futures market yesterday, following reports of selling by producers. The July position closed £24 down at £1,302.5 a tonne, after falling to £1,293 at one stage. Much of the decline reflected the early rise in sterling against the dollar.

Assuming diseases are held in check, Malaysian cocoa exports are expected to increase at 15 to 20 per cent annually throughout the next decade.

To encourage cocoa cultivation, the federal authorities have deliberately refrained from imposing a tax on cocoa exports, unlike rubber and tin where export duties are an important source of Government revenue.

Malaysia also has no intention of joining the International Cocoa Agreement.

There are about 190,000 hectares under cocoa. The 55,000 hectares in West Malaysia are often inter-cropped with coconuts, while cocoa is largely grown as a mono-crop in East Malaysia.

The East Malaysian state of Sabah is known as the Garden of Eden for cocoa because of its rich volcanic soils and ideal climate.

Here the rate of planting is hectic. From just under 4,000 hectares in 1970, the cocoa area has expanded to over 125,000 hectares, overtaking all other commercial crops.

Unlike West Malaysia where good agricultural land is scarce and plantations consider switching to cocoa only when areas under rubber and oil palm are up for replanting, land is plentiful in Sabah. This is aided by the liberal allocation of land by the Sabah Government to its political supporters. It is common to find Sabah syndicates being granted thousands of acres for 50 ringgit an acre, and then re-selling it at 20 to 30 times the price to West Malaysians for cocoa cultivation.

The rapid switch to cocoa is based on pure economics—some say greed. Its returns are far more attractive than that of rubber and oil palm. Cocoa requires less labour and will start yielding within two years, compared with four years for oil palm and six years for rubber.

The Malaysian challenge to the position of the West African countries and Brazil is formidable. In many West African states, political instability, rampant inflation and food scarcity made it more attractive for farmers to grow food than cocoa.

There is a limit to what the Ivory Coast can grow with 5m people. Brazil, with its enormous land resources, is Malaysia's serious rival, and here, Malaysian planters have the edge in yields.

Malaysian cocoa suffers from two disadvantages: its acidity and consequent lack of flavour, and its high shell content. This means it has to be sold at a discount.

Malaysian planters feel the problems are exaggerated by parties who have an interest in knocking down the price, and are confident that they would be overcome in time through research and wider usage of Malaysian beans.

## 'U.S. farmers to receive $40bn subsidy'

AN UNPRECEDENTED $40bn to $50bn in subsidies and other benefits will be provided to the U.S. farm sector this year to reduce surplus supplies and improve farm income, according to a report by the economic research department of Chemical Bank.

The bank estimated U.S. farmers will receive federal price support loans and payments of more than $20bn and payment-in-kind (PIK) commodity benefits of $10bn designed to limit production. The U.S. will guarantee $6bn in export loans and the U.S. farmers home administration will make at least $4bn in domestic production loans.

Higher consumer prices under support programmes for commodities such as sugar, peanuts and tobacco will cost at least another $3bn, the report said.

The total costs will be "more than double the amount provided in real terms during any year in the 1970s," it added.

The report by Mr Charles Riemenschneider, former senior agricultural economist at the Senate budget committee, said the long-term outlook for U.S. farming was still clouded by rising excess production, which had not been altered much by current U.S. policies.

A closer supply/demand balance this crop-year should raise commodity prices between 5 and 12 per cent for wheat, corn, sorghum, cotton and rice, but food price increases in 1983 should remain at or below the overall inflation rate, it estimated.

U.S. agricultural exports will fall again in 1983 to a level of $36bn to $38bn, despite heavy Government spending to boost farm sales abroad, it forecast.

The report predicted that the U.S. acreage reduction programmes would cause fertiliser use to drop 11 to 14 per cent, hybrid seed corn sales by 25 to 30 per cent, pesticide use by 14 to 16 per cent and new farm machinery sales by 2 to 4 per cent.

The major impact of export subsidy programmes would be to transfer income to foreign customers from U.S. taxpayers, it said.

"Continued expansion of export subsidies by the U.S. may only harden the position of supporters of the EEC Common Agricultural Policy because it would reinforce the opinion that the U.S. is as guilty as the European Community in interference in agricultural trade," it said.

Mr Riemenschneider thought it was unlikely that major grain exporting nations would co-operate to control production and thus reduce the need for export subsidies.

Reuter

## PRICE CHANGES

| In tonnes unless stated otherwise | May 4 1983 | + or − | Month ago |
|---|---|---|---|
| **Metals** | | | |
| Aluminium | £880 | ...... | £880 |
| Free Mkt | $1579/1499 | ...... | $1338 368 |
| **Copper** | | | |
| Cash h grade | £1114.75 | +1.25 | £1078.5 |
| 3 mths | £1138.75 | +3.5 | £1107.5 |
| Cash Cathode | £1076.0 | +1 | £1055 |
| 3 months | £1104.0 | ...... | £1086 |
| Gold troy oz | $432.5 | −0.75 | $427.5 |
| Lead Cash | £274.25 | +6.25 | £308 |
| 3 months | £284.0 | +6.25 | £313.75 |
| Nickel | £4526.5 | ...... | £4858 |
| Free mkt | 210/230c | ...... | 210/240c |
| Palladium | $180.00 | +1 | $106.25 |
| Platinum | $276.85 | −0.95 | £267.10 |
| Quicksilver† | $288/295 | ...... | $315-330 |
| Silver troy oz | 780.20p | +13.05 | 540.40p |
| 3 mths | 799.40p | +13.45 | 758.25p |
| Tin cash | £8660 | −45 | £9263.5 |
| 3 months | £8602.5 | −52.5 | £9270.0 |
| Tungsten | $83.88 | +0.95 | $83.75 |
| Wolfram 22.04 lb | $80/91 | ...... | $90/82 |
| Zinc Cash | £458.5 | ...... | £456 |
| 3 mths | £472.0 | −0.75 | £471.25 |
| Producers | $750 | ...... | $750 |

| | May 4 1983 | + or − | Month ago |
|---|---|---|---|
| **Oils** | | | |
| Coconut (Phil) | $627.5y | ...... | $568 |
| Groundnut | $550y | ...... | ‡ |
| Linseed Crude | $518 | ...... | ‡ |
| Palm Malayan | $440x | −5 | $405 |
| **Seeds** | | | |
| Copra Phil | $410y | ...... | $350 |
| Soyabean (U.S.) | $257.75 | −3 | $206.75 |
| **Grains** | | | |
| Barley Fut. Sep | £110.05 | +0.10 | £111.55 |
| Maize | £146.00 | −1 | ‡ |
| Wheat Fut. Jul | £135.60 | +0.25 | £139.10 |
| No2 Hard Wint | ‡ | ...... | ‡ |
| **Other commodities** | | | |
| Cocoa ship't* | £1343 | −24 | £1267 |
| Fut. July | £1302.5 | −24 | £1243.5 |
| Coffee Ft. July | £1667 | −15.5 | £1652 |
| Cotton A. Index | 80.10c | ...... | 80.05c |
| Gas Oil June | $238.75 | −1 | $240 |
| Rubber (Kilo) | 72.5p | +0.5 | 72.5p |
| Sugar (Raw) | £130y | +2 | £113 |
| Wool't ps 64s | 394p kilo | ...... | 409p kilo |

‡ Unquoted. n June. y May-June. v April-June. w April-May. † Per 76 lb flask. * Ghana cocoa. c Nominal.

## LONDON OIL SPOT PRICES

| | Latest | Change + or − |
|---|---|---|
| **CRUDE OIL—FOB ($ per barrel)** | | |
| Arabian Light | 28.90 | — |
| Iranian Light | 28.00-28.05 | — |
| Arabian Heavy | 26.15-26.20 | — |
| North Sea (Forties) | 29.65-29.75 | −0.02 |
| North Sea (Brent) | 29.90 | −0.05 |
| African Bonny L't | 29.85-30.00 | −0.18 |
| **PRODUCTS—North West Europe CIF ($ per tonne)** | | |
| Premium gasoline | 310-315 | −0.5 |
| Gas oil | 243-246 | — |
| Heavy fuel oil | 155-167 | — |

## GAS OIL FUTURES

Prices were $1.00-$1.50 lower in an active opening. Light buying pushed prices to the highs, but they soon fell back to opening levels. Weakness in New York encouraged selling in London and prices moved to the lows where they stayed until short-covering lifted the market at the close, reports Premier Man.

| Month | Yest'day's close | + or − | Business Done |
|---|---|---|---|
| | $ U.S. per tonne | | |
| May | 242.50 | +0.75 | 242.75-40.75 |
| June | 238.75 | −1.00 | 239.75-37.50 |
| July | 238.00 | −0.75 | 239.00-38.50 |
| Aug | 238.75 | −0.75 | 239.75-37.25 |
| Sept | 239.75 | −8.25 | 240.75-39.00 |
| Oct | 243.00 | −1.75 | 243.50-41.75 |
| Nov | 246.00 | −1.00 | 246.50-41.75 |
| Dec | 248.25 | −1.00 | 248.25-47.50 |
| | 251.00 | — | — |

Turnover: 4,195 (2,830) lots of 100 tonnes.

## GOLD MARKETS

Gold fell $¾ an ounce from Tuesday's close in the London bullion market yesterday to finish at $432-$433. The metal opened at $435-$436 and traded between a high of $436-$437 and a low of $431¼-$432¼. The higher opening reflected a weaker trend in the dollar but the metal suffered from profit taking later in the day.

In Paris the 12½ kilo bar was fixed at FFr 103,950 per kilo ($437.38 per ounce) in the afternoon compared with FFr 103,950 ($437.35) in the morning and FFr 102,750 ($432.13) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 34,260 per kilo ($436.00 per ounce) against DM 34,180 ($432.95) and closed at $432¼-$433¼ from $433-$434.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $435.75 from $430.75.

In Zurich gold closed at $432-$435 from $431-$434.

## LONDON FUTURES

| Month | Yest'rday's close | + or − | Business Done |
|---|---|---|---|
| | $ per troy ounce | | |
| May | 432.00-33.0 | ...... | — |
| June | 435.20-35.4 | +0.250 | 436.30-34.3 |
| July | 432.00-39.5 | +0.350 | — |
| August | 441.70-42.6 | +0.300 | 443.70-42.8 |
| Sept | 444.80-45.8 | +0.350 | — |
| Oct | 448.00-49.8 | +0.300 | — |
| Nov | 451.20-52.5 | +0.200 | — |

Turnover: 430 (468) lots of 100 tonnes.

| | May 4 | | May 5 | |
|---|---|---|---|---|
| **Gold Bullion (fine ounce)** | | | | |
| Close | $432-433 | (£272¾-273½) | $430¾-433¾ | (£274-274¼) |
| Opening | $435-436 | (£274¼-275) | $430-431 | (£272¾-273½) |
| Morning fixing | $434.50 | (£274.551) | $431 | (£273.151) |
| Afternoon fixing | $432.75 | (£276.201) | $433.50 | (£274.715) |

| Gold Coins May 4 | | | | | |
|---|---|---|---|---|---|
| Krugrnd | $445½-446½ | (£282-282½) | King Sov | $105-106½ | (£66¼-67¼) |
| ½ Krg | $220½-260½ | (£140¼-146) | Victoria Sov | $105-106½ | (£66¼-67¼) |
| ¼ Krg | $117-118 | (£74-74¾) | French 20s | $88½-90½ | (£56-57¼) |
| 1/10 Krug | $47½-48½ | (£30-30¾) | 50 pesos Mex | $536-539 | (£339½-341½) |
| Mapleleaf | $444-440½ | (£221 282) | 100 Cor. Aust | $422-495 | (£267½-269½) |
| New Sov | $101¾-102½ | (£64½-65) | $20 Eagles | $560-570 | (£354½-360½) |
| ½ New Sov | $60½-68½ | (£38¼-39½) | | | |

## EUROPEAN MARKETS

ROTTERDAM, May 4.

Wheat—(U.S. $ per tonne): U.S. Two Red Winter May 164, June 160, July 159, Aug 160, Sept 162. U.S. Two Northern Spring 14 per cent protein May 190, June 184.50, July 181.50, Aug 181, Sept 180, Oct 181.50, Nov 183.50. U.S. Three Amber Durum May 206, June 202, July 194, Aug 194, Sept 194, Oct 195, Nov 198.

Maize—(U.S. $ per tonne): U.S. Three Yellow May 149.50, June 148, July/Sept 148, Oct/Dec 137, Jan/Mar 143 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports May 252.50, June 253.90, July 260.10, Aug 258.60, Sept 201, Oct 253, Nov 263, Dec 266, Jan 270.50, Feb 274.50, Mar 277 sellers. Paraguayan May 250 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 217, April 217, May 218.50, June 217, May/Sept 217, Nov/Mar 238 sellers. Pellets Brazil afloat 220, April 220, May 217, June 219, May/Sept 223 sellers. Pellets Argentine afloat 218.50, May 218, June 217, June/Sept 221 sellers.

Sugar—(FFr per tonne): August 1817/1820, Oct 1918/1919, Nov 1920/1930, Dec 1985/1995, March 2120 bid, May 2185/2200.

PARIS, May 4.

Cocoa—(FFr per 100 kg): May 1455/1465, July 1492/1510, Sept 1562/1565, Dec 1575/1589, Mar 1600 bid, May 1620 bid, July 1635 bid.

## BRITISH COMMODITY MARKETS

### BASE METALS

BASE METAL PRICES showed little overall change on the London Metal Exchange. Copper traded between £1137 and £1141 with the contango tending to widen. Tin dipped to £8580 but rallied to £8620 prior to closing at £8600 following buffer stock support. Lead rose to £284.5 ahead of the producer price cut by Asarco, while Zinc was sold on the late kerb and closed at £468.

### COPPER

| COPPER | a.m. Official | + or − | p.m. Unofficial | + or −† |
|---|---|---|---|---|
| High Grde | £ | £ | £ | £ |
| Cash | 1112.5-3 | −.25 | 1114.5-5 | +1.25 |
| 3 months | 1137-.5 | +4 | 1138.5-9 | +3.5 |
| Settlem't | 1116 | — | — | ...... |
| Cathodes | | | | |
| Cash | 1074-5 | +1 | 1076-7 | +1 |
| 3 months | 1103-4 | +2 | 1104-5 | — |
| Settlem't | 1075 | +1 | — | ...... |
| U.S. Prod. | — | — | *79-83 | ...... |

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1113.50, three months £1139, 38, 37.50, 37, 37.50. Cathodes: Cash £1074. Kerb: Higher Grade: Three months £1137, 37.50, 38, 39, 38.50. Afternoon: Higher Grade: Three months £1139, 38.50, 38, 39, 38.50, 38, 38.50. Kerb: Higher Grade: Three months £1139.50, 40, 39.50, 39, 38.50, 38, 38.50, 39, 39.50, 38. Turnover 38,825 tonnes.

### TIN

| TIN | a.m. Official | + or − | p.m. Unofficial | + or −† |
|---|---|---|---|---|
| High Grde | £ | £ | £ | £ |
| Cash | 8650-5 | −78 | 8645-65 | −45 |
| 3 months | 8608-12 | −86 | 8600-5 | −52.5 |
| Settlem't | 8655-70 | −78 | — | ...... |
| Standard | | | | |
| Cash | 8650-5 | −78 | 8645-55 | −45 |
| 3 months | 8608-12 | −85 | 8600-5 | −52.5 |
| Settlem't | 8655 | −78 | — | ...... |
| Straits E. | $31.45 | — | — | ...... |
| New York | | | | |

Tin—Morning: Standard: Cash £8645, 50, three months £8605, 10, 08, 10. Standard: Kerb: Three months £8615, 10. Afternoon: Standard: Cash £8655, three months £8610, 15, 20, 10, 8600. Standard: Kerb: Three months £8600, 05, 8600. Turnover 1,620 tonnes.

### LEAD

| LEAD | a.m. Official | + or − | p.m. Unofficial | + or −† |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 271.5-2 | +1.5 | 274-.5 | +6.25 |
| 3 months | 282-.5 | +.75 | 284-.5 | +6.25 |
| Settlem't | 272 | +1.5 | — | ...... |
| U.S. Spot | — | ...... | *21-24 | ...... |

Lead—Morning: Cash £271, 71.50, three months £283, 82.50, 82, 81.50, 82. Kerb: Three months £283 83.50 84, 83.50. Afternoon: Three months £284, 83.50, 84, 84.50. Kerb: Three months £284, 84.50, 84, 83.50. Turnover 11,925 tonnes.

### ZINC

| ZINC | a.m. Official | + or − | p.m. Unofficial | + or −† |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 458.5-9 | −.75 | 458-9 | ...... |
| 3 months | 472.5-3 | −1 | 472-3 | −.75 |
| Settlem't | 459 | −1 | — | ...... |
| Primw'ts | — | ...... | *38-40.8 | ...... |

Zinc—Morning: Cash £458.50, three months £473, 72.50. Kerb: Three months £472.50, 73. Afternoon: Three months £473, 72.50, 72. Kerb: Three months £472, 71, 70, 69, 68.50, 68. Turnover 12,950 tonnes.

### ALUMINIUM

| Aluminim | a.m. Official | + or − | p.m. Unofficial | + or −† |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Spot | 868.5-9 | +7.25 | 863-.5 | +5 |
| 3 months | 894.5-5 | +7.25 | 889-.5 | +6.5 |

Aluminium—Morning: Three months £892, 92.50, 92, 94, 95, 94.50. Kerb: Three months £894.50, 94. Afternoon: Three months £895, 94, 92, 91.90, 91, 90.50, 90, 89.50, 89. Kerb: Three months £890, 91. Turnover 11,200 tonnes.

### NICKEL

| NICKEL | a.m. Official | + or − | p.m. Unofficial | + or −† |
|---|---|---|---|---|
| Spot | 3080-5 | −7.5 | 3060-70 | −27.5 |
| 3 months | 3165-70 | −12.5 | 3145-55 | −27.5 |

Nickel—Morning: Three months £3160, 65, 70, 65. Afternoon: Three months £3170, 68, 65, 60, 55, 50. Kerb: Three months £3180, 40, 45, 50, 60, 65, 70.

### SILVER

LME—Turnover 92 (103) lots of 10,000 oz. Morning: three months 800.0, 01.0, Kerb: untraded. Afternoon: three months 800.0, 01.0, Kerb: three months 807.0, 02.0, 03.0.

| SILVER per troy oz. | Bullion fixing price | + or − | L.M.E. p.m. Unofficial | + or − |
|---|---|---|---|---|
| Spot | 780.20p | +13.0 | 782.5p | +8.5 |
| 3 months | 799.40p | +13.4 | 801.75p | +7.75 |
| 6 months | 812.10p | +13.2 | — | ...... |
| 12 months | 857.20p | +13.7 | — | ...... |

Silver was fixed 13.05p an ounce higher for spot delivery in the London bullion market yesterday at 780.20p. U.S. equivalents of the fixing levels were: spot $12.348, up 23.1c; three-month $12.618, up 24.1c; six-month $12.895, up 23.8c; and 12-month $13.481, up 24.7c. The metal opened at 784-787p ($12.4-$12.48) and closed at 780-782p ($12.35-$12.39).

### WEEKLY METALS

All prices as supplied by Metal Bulletin.

ANTIMONY: European free market, 99.6 per cent, $ per tonne, in warehouse 1950/2020.

BISMUTH: European free market, min 99.99 per cent, $ per pound, tonne lots in warehouse 1.54/1.65.

CADMIUM: European free market, min 99.95 per cent, $ per pound, in warehouse, ingots 0.88/0.95, sticks 0.90/1.00.

COBALT: European free market, 99.5 per cent, $ per pound, in warehouse 6.10/6.25.

MERCURY: European free market, min 99.99 per cent, $ per flask, in warehouse 300/315.

MOLYBDENUM: European free market, canned molybdic oxide, $ per pound Mo, in warehouse 4.00/4.20.

SELENIUM: European free market, min 99.5 per cent, $ per pound, in warehouse 3.75/4.35.

TUNGSTEN ORE: European free market, standard min 65 per cent, $ per tonne unit $WO_3$, cif 88/91.

VANADIUM: European free market, min 98 per cent $V_2O_5$, other sources, $ per pound $V_2O_5$, cif 2.10/2.30.

Producer list price for selected metals as recorded in Metal Bulletin

ALUMINIUM: World: virgin ingots Alcan, min 99.5 per cent, $ per tonne, cif Hong Kong and Rotterdam 1,750.

BISMUTH: UK: MCP-Peko, 99.99 per cent, $ per pound, tonne lots, ex-warehouse 2.30.

COBALT: World, Zaire: Sozacom, $ per pound 12.50.

NICKEL: World, Inco, melting grade, $ per pound, cif Far East and America, delivered rest of world 3.20.

URANIUM: Nuexco exchange value, $ per pound $U_3O_8$, 22.25.

VANADIUM: Highveld fused min 98 per cent $V_2O_5$, $ per pound $V_2O_5$, cif 2.40.

ZINC: GOB producer basis, $ per tonne 750.

### COCOA

Futures opened lower following New York's close and remained under pressure from commission house liquidation and small amounts of hedging against producer sales. The industry remained sidelined, reports Gill and Duffus.

| COCOA | Yesterday's Close | + or − | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| May | 1266-69 | −32.0 | 1288-60 |
| July | 1302-03 | −24.0 | 1319-23 |
| Sept | 1307-08 | −20.0 | 1335-98 |
| Dec | 1318-19 | −28.5 | 1339-42 |
| March | 1332-33 | −27.0 | 1348-16 |
| May | 1342-47 | −24.0 | 1345 |
| July | 1350-65 | −20.0 | — |

Sales 4,478 (5,284) lots of 10 tonnes.

ICCO—Daily price for May 4: 89.89 (91.64). Indicator prices for May 5: 90.40 (90.45).

### COFFEE

Following a slightly better opening general liquidation weakened prices before a light rally returned values to the opening levels, reports Drexel Burnham Lambert. Renewed pressure in the afternoon forced prices down once more.

| COFFEE | Yest'day's Close | + or − | Business Done |
|---|---|---|---|
| May | 1665-68 | +4.0 | 1680-58 |
| July | 1666-68 | −15.5 | 1685-61 |
| Sept | 1590-99 | −15.0 | 1616-88 |
| Nov | 1553-55 | −15.0 | 1567-50 |
| January | 1515-14 | −5.0 | 1519-05 |
| March | 1480-85 | −2.5 | — |
| May | 1459-60 | −3.0 | 1460 |

Sales: 2,093 (2,935) lots of 5 tonnes.

ICO Indicator prices for May 3 (U.S. cents per pound): Comp daily 1979 125.25 (124.92); 15-day average 123.72 (123.53).

### GRAINS

| Mnth | WHEAT Yesterd'ys close | + or − | BARLEY Yest'd'ys close | + or − |
|---|---|---|---|---|
| May | 136.15 | +0.50 | 119.30 | −1.90 |
| July | 136.60 | +0.25 | — | — |
| Sep | 117.65 | +0.05 | 111.05 | +0.10 |
| Nov | 120.30 | +0.05 | 114.20 | −0.05 |
| Jan | 123.40 | +0.05 | 117.55 | +0.05 |
| May | 125.35 | +0.05 | 120.35 | — |

Business done—Wheat: May 136.70-6.00, July 137.30-6.50, Sept 117.75 only, Nov untraded, Jan 123.40 only, Mar 128.45-8.30. Sales: 356 lots of 100 tonnes. Barley: May 120.60 only, Sept untraded, Nov 114.40-4.35, Jan 117.65 only, Mar 120.45 only. Sales: 25 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 121.90, E. Mids 123.40, N. East 121.70, Scotland 120.40. The UK monetary coefficient for the week beginning Monday May 9 is expected to be changed to 0.960.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent May 130.75, June 129, July 125.75, Aug 125.25 transhipment east coast sellers. Maize: French May 146 transhipment east coast sellers. Barley: English feed fob first half Aug Scottish 111.50, English 112.50, Sept Scottish 113.50, English 114.50 Oct/Dec English/Scottish 118.25 sellers. Rest unquoted.

### POTATOES

May opened lower, but found fresh buyers, and with limited selling prices rose to £70.00 before easing slightly. New crops eased by up to £2.50 after finding initially slightly steadier trade, but buying after lunch hit stop-loss levels before profit-taking trimmed gains at the close, reports Coley and Harper.

| Month | Yesterd'y close | Previous close | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| May | 69.50 | 67.50 | 70.00-66.00 |
| Nov | 85.50 | 85.70 | 87.50-82.00 |
| Feb | 97.00 | 94.50 | 96.00-92.00 |
| April | 112.60 | 114.00 | 120.5-111.5 |
| May | 125.30 | 121.00 | 127.5-121.0 |

Turnover: 1,286 (1,603) lots of 40 tonnes.

### RUBBER

The physical market opened slightly steadier, attracted little interest throughout the day and closed uncertain and quiet. Lewis and Peat reported a May fob price of No. 1 RSS in Kuala Lumpur of 246.0 (248.5) cents a kg and SMR 20 230.5 (same).

| No. 1 R.S.S. | Yesterdys close | Previous close | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| June | 738-740 | 785-750 | — |
| July | 730-745 | 785-720 | — |
| Jly-Sept | 734-735 | 725-726 | 737-732 |
| Oct-Dec | 735-736 | 728-730 | 736-740 |
| JanMch | 755-707 | 748-751 | 701-755 |
| Apl-Jne | 778-778 | 769-770 | 781-771 |
| Jly-Sept | 794-797 | 789-791 | — |
| Oct-Dec | 715-712 | 910-812 | 720 |
| JanMch | 734-736 | 830-835 | 741 |

Sales: 223 (81) lots of 15 tonnes: nil (4) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 72.50p (72.00p), June 72.75p (73.00p), July 73.25p (73.00p).

### SOYABEAN MEAL

The market opened £1 down on stronger sterling, reports T. G. Roddick. Prices remained on the defensive with weaker cash markets.

| | Yesterdy's close | + or − | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| June | 139.90-40.5 | −1.55 | 139.90-38.50 |
| August | 140.50-41.2 | −1.00 | 141.50-40.70 |
| October | 146.00-46.4 | −0.55 | 147.00-46.80 |
| Dec | 151.50-52.5 | −1.19 | 151.50 |
| Feb | 155.50-57.5 | −1.25 | — |
| April | 155.50-57.5 | −2.00 | — |
| June | 156.00-60.0 | −1.50 | — |

Sales: 87 (147) lots of 100 tonnes.

SOYABEAN OIL—The market opened $2.00 down in dull trade and remained quiet. C ISase(U...... ... ... AETAOI quiet. Close (U.S. $ per tonne): June 439, 441.50, 441-438; August 449, 455, untraded; Oct 461, 467, 463; Dec 480, 489, untraded; Feb 486, 494, untraded; April 490, 517, untraded; June 489.50, 530, untraded. Sales: 20 (0) lots of 25 tonnes.

### SUGAR

LONDON DAILY SUGAR—Raw sugar £130.00 (£128.00) a tonne cif May-June shipment. White sugar £151.00 (£149.00).

Sugar displayed a lack of selling in early trading and August rose to £141.50 before any significant selling materialised. The early rally was later quashed by arbitrage selling from New York and the market closed near the lows. San Domingo sold a cargo of June raw sugar at 8.0225 cents per pound fob, reports C. Czarnikow.

| No. 4 Contract | Yesterday close | Previous close | Business done |
|---|---|---|---|
| | £ per tonne | | |
| Aug | 138.35-38.60 | 139.45-38.50 | 141.75-38.00 |
| Oct | 145.55-46.00 | 145.18-46.20 | 149.75-45.75 |
| Dec | 151.00-52.00 | 151.00-52.00 | 154.75-52.25 |
| Mar | 158.85-59.20 | 158.00-58.50 | 161.75-58.65 |
| May | 162.25-62.95 | 160.25-63.50 | 165.00-63.00 |

Sales: 3,548 (4,658) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £237.00 (£235.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for May 4: Daily price 7.79 (7.55), 15-day average 5.92 (6.83).

### INDICES

**FINANCIAL TIMES**

| May 3 | Apr. 29 | M'th ago | Y'ar ago |
|---|---|---|---|
| 270.78 | 274.56 | 275.99 | 244.70 |

(Base: July 1 1952=100)

**REUTERS**

| May 4 | May 3 | M'th ago | Y'ar ago |
|---|---|---|---|
| 1778.7 | 1776.8 | 1774.4 | 1598.4 |

(Base: September 18 1931=100)

**MOODY'S**

| May 3 | May 2 | M'th ago | Y'ar ago |
|---|---|---|---|
| 1041.4 | 1042.8 | 1049 | 1002.2 |

(December 31 1931=100)

**DOW JONES**

| Dow Jones | May 5 | May 2 | Month ago | Year ago |
|---|---|---|---|---|
| Spot | 141.81 | 141.49 | 142.21 | 125.46 |
| Fut'rs | 147.52 | 146.02 | 147.49 | 138.2 |

(Base: December 31 1974=100)

### WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. May 437 seller, 437-434; Aug 450, 451, 451-450; Oct 450, 454, 453; Dec 450, 455, 455-453; Jan 450, 457, 456-454; Mar 460, 465, 465-464; May 470, 474, 476-472; Aug 479, 482, 482-481; Oct 481, 484, 485-483. Sales: 62.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 561.0, 561.0, 563.0-561.0; July 584.5, 587.0, 585.0-584.0; Oct 578.0, 579.0, 579.0-578.0; Dec 587.5, 587.5, 588.0-587.0; Mar 608.0, 609.0, 510.0; May 517.0, 518.0, 517.5; July 630.0, 634.0, untraded; Oct 622.0, 630.0, u/t. Sales: 87.

### COTTON

LIVERPOOL—Spot and shipment sales amounted to 20 tonnes. Minor replenishment needs were under consideration, but the offtake was decidedly dull. Only occasional reports of demand broadening were received and interest was restricted to specialist requirements in Middle Eastern growths.

### HIDES

Manchester. Second clears. Ox: 31-35.5 kg. 71.2p a kg (71.6p); 26-30.5 kg. 76.3p a kg withdrawn (76.2p); 22-25.5 kg. 88.0p a kg withdrawn (89.3p). Light cows: 25.5 kg. 81.0p a kg withdrawn (82.3p).

HIDES—Leeds. Second clears. Ox: 31-35.5 kg. 71.6p a kg (73.8p); 26-30.5 kg. 76.6p a kg (77.7p); 22-25.5 kg. 89.3p a kg (91.0p). Light cows: 25.5 kg. 82.3p a kg (84.5p withdrawn).

### MEAT/FISH

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 76.0 to 90.9; English hindquarters 94.8 to 91.5, forequarters 51.0 to 53.5; Ulster hindquarters 97.0 to 99.3, forequarters 52.8 to 55.5. Veal: Dutch hinds and ends 122.5 to 127.5. Lamb: English small 112.0 to 117.5, medium 108.0 to 111.5, heavy 104.0 to 107.5; Imported: New Zealand PL 51.0 to 62.0, PM 60.0 to 91.0. Sheep: English 85.0 to 86.0. Pork: English under 100lb 30.0 to 50.0, 100-120lb 41.5 to 48.0, 120-160lb 34.0 to 42.0.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 94.89p per kg lw (+1.28). GB—Sheep 227.28p per kg est dcw (−5.83). GB—Pigs 86.60p per kg lw (+1.85).

GRIMSBY FISH—Supply moderate, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £5.00-£7.00, codlings £4.00-£5.00; large haddock £4.20-£4.90, medium £4.00-£4.60, small £2.00-£3.00; best small plaice £4.00-£5.00; skinned dogfish (medium) £5.00-£6.00; lemon sole (large) £10.00, (medium) £8.00; rockfish £2.00-£2.70; saithe £1.10-£1.40.

## AMERICAN MARKETS

NEW YORK, May 4.

Precious metals held steady in lacklustre trade with support derived from stronger financial markets and a strong stock market. Copper sold off slightly with commission house support developing on declines as the trade with China appeared to be activated again. Heating oil prices closed higher on short-covering and profit-taking; early in the day the market was under the influence of reported crude sales by Iran to Japan at $2 per barrel below the Opec price. Sugar prices were unchanged as the market tried to consolidate following recent sharp advances. Cocoa prices came under light selling pressure on commission house profit-taking and on reports that Ghana raised its selling prices. Coffee markets were higher on light interest as lack of fresh news led to a consolidation of recent gains. Cotton prices were firm on reports of further replanting in California due to cool temperatures which prevented germination. Soyabeans finished lower on heavy speculative selling in anticipation of a poor demand in the weeks ahead. Maize and wheat were all higher as heavy local and professional selling met with good commission house support, reported Heinold Commodities.

### NEW YORK

COCOA 10 tonnes, $/tonnes

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 1850 | 1840 | 1840 | 1883 |
| July | 1876 | 1902 | 1863 | 1908 |
| Sept | 1901 | 1920 | 1885 | 1925 |
| Dec | 1930 | 1945 | 1912 | 1949 |
| March | 1958 | 1963 | 1960 | 1977 |
| May | 1979 | — | — | 1998 |
| July | 2004 | — | — | 2023 |

COFFEE "C" 37,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 126.50 | 126.50 | 126.15 | 126.15 |
| July | 126.14 | 126.30 | 125.50 | 125.67 |
| Sept | 124.06 | 124.20 | 123.61 | 123.90 |
| Dec | 123.00 | 123.10 | 122.50 | 122.80 |
| March | 120.38 | 120.50 | 120.30 | 120.50 |
| May | 117.99 | 118.50 | 117.99 | 118.01 |
| July | 115.75 | 118.00 | 115.75 | 118.00 |
| Sept | 113.60 | 114.00 | 113.75 | 113.75 |

COPPER 25,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 78.95 | 79.35 | 78.70 | 79.05 |
| June | 79.50 | 79.75 | 79.65 | 79.60 |
| July | 80.20 | 80.65 | 79.90 | 80.35 |
| Sept | 81.40 | 81.90 | 81.15 | 81.55 |
| Dec | 83.10 | 83.70 | 82.90 | 83.25 |
| Jan | 83.60 | 83.75 | 83.40 | 83.75 |
| March | 84.65 | 85.30 | 84.40 | 84.80 |
| May | 85.70 | 86.40 | 85.40 | 85.85 |
| July | 86.75 | 87.20 | 87.20 | 86.90 |
| Sept | 87.80 | 88.10 | 88.00 | 87.95 |

COTTON 50,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 70.06 | 70.43 | 69.91 | 70.05 |
| July | 71.37 | 71.50 | 70.70 | 70.75 |
| Oct | 72.30 | 72.45 | 71.62 | 71.65 |
| Dec | 72.15 | 72.30 | 71.50 | 71.47 |
| March | 73.40 | 73.50 | 73.10 | 72.70 |
| May | 73.90 | — | — | 73.20 |
| July | 74.75 | — | — | 74.05 |
| Oct | 74.70 | — | — | 74.00 |

GOLD 100 troy oz, $/troy oz

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 435.1 | 432.7 | 432.7 | 433.7 |
| June | 437.7 | 438.0 | 434.1 | 436.4 |
| July | 440.9 | — | — | 439.7 |
| August | 444.2 | 444.5 | 440.5 | 443.0 |
| Oct | 450.8 | 451.2 | 447.8 | 449.7 |
| Dec | 457.4 | 457.5 | 454.3 | 456.4 |
| Feb | 464.3 | 462.0 | 462.0 | 463.4 |
| April | 471.4 | 469.5 | 469.0 | 470.7 |
| June | 478.7 | — | — | 478.2 |
| August | 486.2 | 484.8 | 484.5 | 485.9 |
| Oct | 493.8 | 492.0 | 492.0 | 493.7 |
| Dec | 501.5 | 502.0 | — | 501.8 |
| Feb | 509.6 | — | — | 509.8 |

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 77.55 | 78.15 | 76.80 | 77.33 |
| July | 76.32 | 76.99 | 75.65 | 76.33 |
| August | 76.84 | 77.40 | 76.18 | 76.88 |
| Sept | 77.90 | 78.30 | 77.10 | 77.80 |
| Oct | 78.65 | 78.20 | 78.20 | 78.82 |
| Nov | 79.65 | 80.10 | 79.00 | 79.70 |
| Dec | 80.80 | 81.20 | — | 80.80 |
| Jan | 81.25 | — | — | 81.25 |
| Feb | 81.25 | — | — | 81.25 |

ORANGE JUICE 15,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 112.50 | 115.00 | 114.75 | 114.90 |
| July | 112.55 | 112.55 | 111.70 | 112.00 |
| Sept | 111.20 | 111.70 | 111.30 | 111.00 |
| Nov | 107.75 | 107.95 | 107.50 | 107.05 |
| Jan | 102.40 | 102.50 | 102.40 | 101.80 |
| March | 102.35 | 102.50 | 102.00 | 101.75 |
| May | 102.35 | 102.45 | 102.40 | 101.75 |
| July | 102.35 | 102.50 | 102.60 | 101.75 |
| Sept | 102.35 | — | — | 101.75 |

PLATINUM 50 troy oz, $/troy oz

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 449.9 | 444.0 | 444.0 | 443.5 |
| July | 450.8 | 452.0 | 442.5 | 444.5 |
| Oct | 456.4 | 457.5 | 448.0 | 450.3 |
| Jan | 464.7 | 460.0 | 457.5 | 458.8 |
| April | 473.2 | 467.5 | 467.5 | 467.7 |
| July | 482.4 | 480.0 | 480.0 | 477.2 |

SILVER 5,000 troy oz, cents/troy oz

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 1258.0 | 1259.0 | 1233.0 | 1237.2 |
| June | 1266.8 | 1260.0 | 1241.0 | 1246.5 |
| July | 1276.0 | 1277.0 | 1247.5 | 1256.0 |
| Sept | 1294.0 | 1295.0 | 1269.0 | 1273.8 |
| Dec | 1323.4 | 1325.0 | 1297.0 | 1303.0 |
| Jan | 1333.3 | 1315.0 | 1315.0 | 1312.8 |
| March | 1353.7 | 1345.0 | 1333.0 | 1333.3 |
| May | 1373.7 | 1370.0 | 1354.0 | 1353.3 |
| July | 1394.7 | — | — | 1374.3 |
| Sept | 1415.7 | 1405.0 | — | 1395.8 |

SUGAR WORLD "11" 112,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| July | 8.42 | 8.58 | 8.30 | 8.47 |
| Sept | 8.79 | 8.59 | 8.64 | 8.79 |
| Oct | 9.02 | 9.19 | 8.82 | 9.05 |
| March | 9.96 | — | 9.61 | 9.93 |
| May | 10.27 | 10.27 | 10.14 | 10.22 |
| July | 10.50 | 10.50 | 10.50 | 10.48 |
| Sept | 10.68 | 10.75 | 10.72 | 10.65 |
| Oct | 10.78 | 10.90 | 10.90 | 10.85 |

### CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 64.75 | 65.80 | 64.70 | 65.60 |
| August | 62.95 | 63.85 | 62.90 | 63.47 |
| Oct | 60.80 | 61.40 | 60.75 | 60.82 |
| Dec | 61.85 | 62.02 | 61.55 | 61.60 |
| Feb | 61.67 | 62.00 | 61.40 | 61.25 |
| April | 62.50 | 62.50 | 62.27 | 62.60 |

LIVE HOGS 30,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 49.45 | 50.20 | 49.20 | 49.25 |
| July | 49.42 | 50.15 | 49.35 | 49.35 |
| August | 46.82 | 47.80 | 46.79 | 47.02 |
| Oct | 43.42 | 44.12 | 43.35 | 43.70 |
| Dec | 44.30 | 44.70 | 44.25 | 44.27 |
| Feb | 46.45 | 46.60 | 46.25 | 46.57 |
| April | 45.45 | 45.65 | 45.45 | 45.37 |
| June | 47.27 | 47.70 | 47.10 | 47.30 |
| July | 48.05 | 48.05 | 48.05 | 47.60 |

MAIZE 5,000 bu min, cents/56lb-bushel

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 318.2 | 318.2 | 316.0 | 317.0 |
| July | 318.4 | 319.0 | 315.6 | 318.0 |
| Sept | 309.4 | 310.0 | 306.0 | 309.0 |
| Dec | 301.6 | 302.4 | — | 301.4 |
| March | 310.9 | 310.2 | 303.2 | 309.4 |
| May | 317.0 | 317.4 | 315.2 | 319.2 |
| July | 322.0 | 322.0 | 320.4 | 321.4 |

PORK BELLIES 38,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 66.80 | 67.70 | 65.60 | 66.67 |
| July | 65.57 | 66.65 | 65.22 | 65.75 |
| August | 63.00 | 63.75 | 62.75 | 63.15 |
| Feb | 63.85 | 64.40 | 63.27 | 64.15 |
| March | 64.07 | 64.80 | 63.50 | 64.02 |
| May | 65.20 | 65.20 | 64.50 | 65.35 |
| July | 64.70 | 64.70 | 64.25 | 64.80 |
| August | 61.80 | 61.90 | 61.50 | 62.05 |

SOYABEANS 5,000 bu min, cents/60lb-bushel

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 630.0 | 632.0 | 627.4 | 630.2 |
| July | 646.4 | 649.0 | 643.4 | 647.0 |
| August | 652.4 | 654.8 | 649.4 | 635.2 |
| Sept | 658.0 | 660.4 | 655.4 | 659.4 |
| Nov | 670.0 | 672.4 | 667.8 | 672.2 |
| Jan | 682.4 | 684.4 | 680.4 | 685.0 |
| March | 696.0 | 697.0 | 693.4 | 696.0 |
| May | 707.0 | 708.0 | 705.0 | 705.0 |
| July | 717.0 | 718.0 | 714.8 | 718.0 |

SOYABEAN MEAL 100 tons, $/ton

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 185.5 | 186.1 | 184.9 | 185.3 |
| July | 189.1 | 189.7 | 188.3 | 189.5 |
| August | 191.0 | 191.4 | 190.0 | 132.0 |
| Sept | 193.0 | 193.5 | 192.1 | 194.0 |
| Oct | 194.8 | 165.5 | 164.0 | 195.2 |
| Dec | 199.3 | 200.3 | 198.2 | 200.6 |
| Jan | 201.0 | 202.0 | 200.3 | 202.3 |
| March | 206.0 | 206.0 | 204.0 | 207.5 |

SOYABEAN OIL 60,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 19.49 | 20.50 | 19.42 | 19.53 |
| July | 19.72 | 19.76 | 19.64 | 19.72 |
| August | 19.83 | 19.86 | 19.75 | 19.84 |
| Sept | 19.95 | — | 19.90 | 19.93 |
| Oct | 20.08 | 20.15 | 20.03 | 20.09 |
| Dec | 20.43 | 20.47 | 20.35 | 20.43 |
| Jan | 20.68 | 20.63 | 20.56 | 20.62 |
| March | 20.90 | 20.93 | 20.90 | 20.95 |

WHEAT 5,000 bu min, cents/60lb-bushel

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 358.4 | 358.4 | 355.0 | 358.0 |
| July | 368.2 | 368.2 | 362.4 | 363.2 |
| Sept | 374.8 | 375.0 | 371.0 | 372.2 |
| Dec | 388.0 | 388.2 | 384.0 | 385.4 |
| March | 396.4 | 399.0 | 397.0 | 397.0 |
| May | 403.0 | — | — | 400.4 |

SPOT PRICES—Chicago loose lard 17.25 (same) cents per pound. New York tin 625.0-30.0 (same) cents per pound. Handy and Harman silver bullion 1235.0 (1224.5) cents per troy ounce.

# FT LONDON SHARE INFORMATION SERVICE



## BRITISH FUNDS

"Shorts" (Lives up to Five Years)

| 1983 High | 1983 Low | Stock | Price £ | + or − | Yield Int. | Yield Red. |
|---|---|---|---|---|---|---|
| 99½ | 98½ | Treasury 9½pc '83 | 99½ | ..... | 9.27 | 10.13 |
| 102½ | 100½ | Exch. 13½pc '83 | 101½xd | −½ | 13.26 | 9.89 |
| 99½ | 98½ | Exch. 10pc 1983 | 99⅞ | −½ | 10.01 | 10.14 |
| 97⅝ | 96¼ | Funding 5½pc '82-84‡‡ | 97½ | ..... | 5.67 | 9.89 |
| 101¼ | 99½ | Exch. 11¼pc 1984 | 100½ | +½ | 11.14 | 9.96 |
| 104⅝ | 102½ | Exchequer 14pc 1984 | 103⅝xd | ..... | 12.49 | 10.13 |
| 94⅝ | 92½ | Exch. 3pc 1984 | 94½ | ..... | 3.18 | 0.21 |
| 102½ | 100⅝ | Treasury 12pc 1984 | 102½ | +½ | 11.70 | 9.96 |
| 107½ | 105⅝ | Treasury 15pc 1985 | 107½ | ..... | 14.01 | 10.55 |
| 107 | 101⅝ | Exch. 12pc Cnv. '85 | 104½ | ..... | 11.50 | 9.37 |
| 90⅝ | 88⅝ | Treasury 3pc 1985 | 90⅝xd | ..... | 3.31 | 8.06 |
| 102¾ | 99⅞ | Treasury 11½pc 1985 | 102¼ | ..... | 11.30 | 10.58 |
| 102 | 95 | Treas 8¾pcCnv '85 | 97⅞ | ..... | 8.99 | 9.99 |
| 103⅝ | 103¼ | Exch. 12¼pc 1985 | 103⅞xd | ..... | 11.85 | 10.71 |
| 102½ | 99½ | Exch. 11¾pc '86 | 102½ | ..... | 11.46 | 10.67 |
| 88½ | 85⅝ | Treasury 3pc 1986 | 87xd | ..... | 3.45 | 7.89 |
| 67½ | 66 | Exch. 10½pcCv '86 (£65pd) | 67½ | +½ | 10.39 | 10.12 |
| 103½ | 100½ | Treasury 12pc '86 | 103⅛ | +½ | 11.63 | 10.77 |
| 97½ | 94⅝ | Treasury 8¼pc '84-86‡‡ | 95¼ | ..... | 8.88 | 10.09 |
| 112¼ | 109⅝ | Treas. 12¾pc '86 Cnv | 112 | +¼ | 11.04 | 8.26 |
| 109½ | 105½ | Exch. 14pc 1986 | 109 | +½ | 12.84 | 10.82 |
| 107¼ | 103⅝ | Exch. 13¼pc 1987 | 107½ | +⅛ | 12.36 | 10.84 |
| 84½ | 81½ | Exchequer 2½pc 1987 | 81⅝ | +⅛ | 3.06 | 8.21 |

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

## INT. BANK AND O'SEAS GOVT. STERLING ISSUES

## CORPORATION LOANS

## COMMONWEALTH AND AFRICAN LOANS

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Financial

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## AMERICANS

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## BANKS, H.P. & LEASING

## BANKS—Continued

Hire Purchase, Leasing, etc.

## BEERS, WINES AND SPIRITS

## BUILDING INDUSTRY, TIMBER AND ROADS

## CHEMICALS, PLASTICS

## CHEMICALS, PLASTICS—Cont.

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## ELECTRICALS

## ELECTRICALS—Continued

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## FOOD, GROCERIES—Cont.

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## INDUSTRIALS—Continued

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## TRUSTS, FINANCE, LAND

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## INVESTMENT TRUSTS—Cont.

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## OIL AND GAS—Continued

## OVERSEAS TRADERS

## PLANTATIONS

### Rubbers, Palm Oil

### Teas

## MINES

### Central Rand

### Eastern Rand

### Far West Rand

### O.F.S.

### Finance

### Diamond and Platinum



## MINES—Continued

### Central African

### Australians

### Tins

| 1983 High | Low | Stock | Price | + or − | Div. Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 18 | $10\frac{1}{2}$ | Gold & Base $12\frac{1}{2}$p | 17 | −1 | — | — | — |
| 435 | 290 | Gopeng Cons. | 415xd | +5 | 20.0 | 1.4 | 6.9 |
| 600 | 525 | Hongkong | 575 | .. | 210 | ♦ | 5.2 |
| 21 | 15 | Jantar $12\frac{1}{2}$p | 18 | | 1.5 | 2.8 | 11.9 |
| 210 | 100 | Kamunting SM0.50 | 190 | −15 | h0.27½c | 0.8 | 4.1 |
| 96 | 56 | Malaysia Mng. 10c | 90 | ...... | v017 1c | 1.6 | 5.4 |
| 45 | 28 | ♥Pahang | 40 | ..... | 0.63 | 0.8 | ‡ |
| 365 | 325 | Pengkalen 10p | 360 | .... | 1.0 | — | 0.4 |
| 330 | 225 | Petaling SM1 | 325 | .... | v060c | 1.3 | 5.3 |
| 220 | 185 | Sungei Besi SM1 | 220 | .... | tv0.105c | 0.6 | ‡ |
| 45 | 40 | ♥Supreme Corp M$1 | 45 | ...... | vh03½c | ♦ | 2.4 |
| 105 | 93 | Tanjong 15p | 102 | .... | g3.5 | — | 4.9 |
| 70 | 60 | ♥Tongkah H. Tin $M1 | 70 | .... | v05c | 1.3 | 2.1 |
| 300 | 190 | Tronoh SM1 | 300 | ...... | tv050c | 2.3 | 4.7 |

### Miscellaneous

| 1983 High | Low | Stock | Price | + or − | Div. Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 170 | 135 | Admiral Mines | 135 | ..... | — | — | — |
| 90 | 34 | ♥Anglo-Dominion | 65 | .... | — | — | — |
| 90 | 54 | ♥Anglo Utd. Dev. | 77 | .... | — | — | — |
| 135 | 60 | ♥Colby Res Corp. | 65 | .... | — | — | — |
| 485 | 315 | Cons. Murch. 10c. | 450 | +10 | ‡060c | 1.9 | ‡ |
| $5\frac{1}{2}$ | 3 | ‖‡Explaura Gold | 3 | ...... | — | — | — |
| 155 | 103 | ♥Highwood Res. | 130 | ...... | — | — | — |
| £$21\frac{1}{4}$ | £18 | Homestake Mining $1 | £$19\frac{3}{8}$ | +$1\frac{1}{2}$ | 040c | — | 1.3 |
| 495 | 360 | Northgate C$1 | 410 | +10 | — | — | — |
| 614 | 455 | R.T.Z. | 583 | −8 | 16.0 | 1.9 | 4.0 |
| £130 | £108 | Do 9½% Cv Uns Ln '95-2000 | £$126\frac{1}{2}$ | ..... | 09½% | 21.4 | 7.1 |
| 95 | 13 | ♥Sabina Inds C$1 | 95 | +15 | — | — | — |
| $17\frac{1}{2}$ | $12\frac{1}{2}$ | ‡Southwest Res 10p | 16 | ...... | — | — | — |
| 530 | 312 | ♥Tara Exptn $1 | 525 | ...... | — | — | — |

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‖‡ Dealt in under Rule 163(3).
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♦ Same interim, reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

## REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency

| | | |
|---|---|---|
| Albany Inv. 20p | 54 | ... |
| Bdg'wtr. Est. 50p | 265xc | |
| Craig & Rose £1 | £12 | |
| Finlay Pkg 5p | 34 | +1 |
| Graig Ship. £1 | £20 | .. |
| Higsons Brew | 107 | +2 |
| Holt (Jos) 25p | 920 | |
| I.O.M. Stm. £1 | 180 | |
| Pearce (C. H.) | £14 | |
| Peel Hldgs. | 200 | |

### IRISH

| | | |
|---|---|---|
| Exch. 15pc 1983 | £100 | |
| Nat. 9¾% 84/89 | £$87\frac{3}{4}$ | |
| Fin. 13% 97/02 | £$96\frac{1}{4}$ | |
| Alliance Gas | 103 | |
| Arnott | 200 | |
| Carroll (P.J.) | 100 | |
| Concrete Prods. | 55 | |
| Heiton (Hldgs.) | 16 | |
| Irish Ropes | 31 | |
| Jacob | 72xd | |
| T.M.G. | 75 | |
| Unidare | 73 | +1 |

## OPTIONS

### 3-month Call Rates

| Industrials | | | | | |
|---|---|---|---|---|---|
| Allied-Lyons | 15 | House of Fraser | 17 | Utd. Drapery | 14 |
| BOC Grp. | 20 | I.C.I. | 35 | Vickers | 12 |
| B.S.R. | 12 | "Imps" | 11 | Woolworth Hld | 27 |
| Babcock | 16 | I.C.L. | $8\frac{1}{2}$ | **Property** | |
| Barclays Bank | 35 | Ladbroke | 20 | Brit. Land | $8\frac{1}{2}$ |
| Beecham | 35 | Legal & Gen. | 38 | Cap. Counties | 15 |
| Blue Circle | 44 | Lex Service | 30 | Land Sec. | 30 |
| Boots | 22 | Lloyds Bank | 45 | MEPC | 22 |
| Bowaters | 19 | "Lots" | $3\frac{1}{2}$ | Peachey | 16 |
| Brit. Aerospace | 20 | London Brick | 15 | Samuel Props. | 10 |
| B.A.T. | 65 | Lucas Inds. | 15 | Town & City | 3 |
| Brown (J.) | 5 | "Mams" | 12 | **Oils** | |
| Burton Ord. | 35 | Mrks. & Spncr | 20 | Brit. Petroleum | 32 |
| Cadburys | 11 | Midland Bank | 35 | Burmah Oil | 10 |
| Courtaulds | $8\frac{1}{2}$ | N.E.I. | 10 | Charterhall | 3 |
| Debenhams | 12 | Nat. West. Bank | 50 | KCA | 0 |
| Distillers | 22 | P & O Dfd. | 14 | Premier | 4 |
| Dunlop | 6 | Plessey | 50 | Shell | 45 |
| Eagle Star | 35 | Racal Elect. | 45 | Tricentrol | 19 |
| F N F C | $4\frac{1}{2}$ | R.H.M. | 6 | Ultramar | 48 |
| Gen. Accident | 40 | Rank Org. Ord. | 17 | **Mines** | |
| Gen. Electric | 22 | Reed Intnl. | 28 | Charter Cons. | 20 |
| Glaxo | 90 | Sears | 9 | Cons. Gold | 50 |
| Grand Met. | 32 | T.I. | 16 | Lonrho | $8\frac{1}{2}$ |
| G.U.S. 'A' | 55 | Tesco | 14 | Rio T. Zinc | 55 |
| Guardian | 42 | Thorn EMI | 50 | | |
| G.K.N. | 16 | Trusthouse | 20 | | |
| Hawker Sidd. | 34 | Turner & Newall | $4\frac{1}{2}$ | | |
| | | Unilever | 80 | | |

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 37

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

## COMPANY NOTICES

**RANK OVERSEAS HOLDINGS PLC TO HOLDERS OF THE COMPANY'S AUSTRALIAN $12 MILLION 11½% GUARANTEED LOAN NOTES 1993**

NOTICE IS HEREBY GIVEN that the Annual Report and Accounts of Rank Overseas Holdings PLC for the year ended 31st October 1982 are available from N. M. Rothschild & Sons Limited, New Court, St. Swithins Lane, London EC4 and other Paying Agents named on the Loan Note Certificates.

B. C. OWERS, Secretary

5th May, 1983.

**LEUMI INTERNATIONAL INVESTMENTS NV**

**U.S.$20 MILLION GUARANTEED FLOATING RATE NOTES — C — 1987 EXTENDIBLE AT THE HOLDERS' OPTION TO 1990**

The interest rate applicable to the above Notes in respect of the six month period commencing Thursday 5th May 1983 has been fixed at 9⅝% per annum.

The interest amounting to U.S.$48.11 per U.S.$1,000 principal amount of the Notes will be paid on Monday 7th November 1983 against presentation of coupon No. 8.

BANK LEUMI TRUST COMPANY OF NEW YORK
Principal Paying Agent

**THE COMMERCIAL BANK OF THE NEAR EAST PLC**

NOTICE IS HEREBY GIVEN that the Share Transfer Books of the above Company will be Closed from the 6th May to the 13th May 1983 both days inclusive.

By Order of the Board
N. M. PEGGIE, Secretary
107-112 Leadenhall Street.
London EC3A 4AE.

## PUBLIC NOTICES

**BEDFORDSHIRE COUNTY COUNCIL**
Amount of Bills £5,000,000. Issued on 4th May 1983, maturing 3rd August 1983 at a rate of 9⅜%. Applications totalled £16,500,000. Outstanding Bills £10,000,000.

**GLASGOW DISTRICT COUNCIL**
Bills issued 4th May 1983 £6m at 9⅜%, maturing 3rd August 1983. Applications £47.1m Bills outstanding £22.5m.

## PERSONAL



HEATHROW—New air conditioned Offices with car parking from 1,300 sq. ft. Telephone 01-499 3366.

## ART GALLERIES

BRITISH PAINTING EXHIBITION. 350 Oils-Watercolours from £50, at the Mall Galleries, The Mall, SW1. Daily 10-5, incl. Sats Hol. until 4 May. Adm. £1.

BROWSE & DARBY, 19, Cork St., W1. 01-734 7984. PHILIP SUTTON Paintings & Sculpture.

LEFEVRE GALLERY, 30, Bruton St., W1. 01-493 1572/3. CONTEMPORARY PAINTINGS ON VIEW. Mon.-Fri. 10-5 and Sats. 10-12.30.

30 GALLERY, 30 [illegible] Wharf, Wapping Wall, E1. Tel. 488 3918. ANDREA TAPIA [illegible] Unit 13 May. Mon.-Sat. 11-6.

## INVESTMENTS FOR SALE

PORTUGAL, VILAMOURA. Invest in the finest sporting development in Europe. Apts from £25,000. Villas from £30,000. D.M.S., 157 Whitecross St. London, EC1. 01-248 0256.

## LEGAL NOTICES

IN THE MATTER OF PRIME MEDIA (U.K.) LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 1st day of August, 1983, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned PATRICK WALTER JOHN HARTIGAN, of Booth White & Co., 1 Wardrobe Place, Carter Lane, London EC4V 5AJ, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

DATED this 21st day of April, 1983.
P. W. J. HARTIGAN (FCCA)
Liquidator

IN THE MATTER OF THE COMPANIES ACTS 1948 TO 1981 and IN THE MATTER OF AVERGRADE LIMITED (in creditors' voluntary liquidation)

NOTICE IS HEREBY GIVEN pursuant to Section 299 of the Companies Act 1948 that a GENERAL MEETING of the MEMBERS of the abovenamed Company will be held at the offices of FLOYD HARRIS 218 Strand, WC2 in the City of Westminster on Tuesday, 7th June, 1983 at 10.00 a.m. to be followed at 10.30 a.m. by a GENERAL MEETING of the CREDITORS for the purposes of receiving an account of the Liquidator's Acts and Dealings and of the conduct of the Winding-up to date.

Dated this 28th day of April, 1983.
R. E. FLOYD, Liquidator

## MOTOR CARS



## CLUBS

THE GASLIGHT OF ST. JAMES'S, London's most exciting businessman's night time retreat. No membership needed. 2 bars, dozens of dateable companions, intriguing Cabaret Acts. Happy hours 8-9 pm. If required, superb three-course dinner, only £9.75 plus service and tax. Entrance fee £5.75 (£5 refunded to diners ordering before 9 pm). Mon.-Fri. 8 pm-2 am. Sat 9 pm-2 am. 4, Duke of York Street, SW1. Tel: 01-930 1648/4950.

HANOVERIAN NIGHTCLUB and Res., 9, Hanover Street, W1. Where today's businessman can enjoy an exciting and relaxing evening. Charming and discreet dancing partners available nightly 9 pm-3 am. Recommended to ring for res. on 01-499 0269.



# CURRENCIES, MONEY and CAPITAL MARKETS

## FINANCIAL FUTURES

# Eurodollars firmer

Euro-dollar prices rose in the London International Financial Futures Exchange yesterday. Prices opened firmer as the market had reacted favourably to the latest 3 year note auction, with further offerings due yesterday and today. The market was also encouraged by a lower Fed funds rate, a weaker cash market and renewed hopes of a cut in the U.S. discount rate sometime this month. The June price opened at 91.27 up from 91.21 on Tuesday and rose to 91.32 before some profit taking restricted trading to a fairly narrow range for the rest of the morning. Prices rose ahead of the opening of Chicago and touched a new high of 91.35, closing at this level as Chicago provided little fresh impetus.

*Sterling* based contracts were also firmer, spurred on by the continued strength of sterling and hopes that Prime Minister Margaret Thatcher would win an early general election. The latter factor has been largely built into prices and current levels are also discounting another half point cut in clearing banks base rates. Dealers pointed out however that any indication that the election would not be held in June could meet with a sharp downward correction in values.

The June short sterling price opened at 90.35 up from 90.32 and touched a high of 90.38 before closing at 90.37. Gilt futures showed much the same trend with the June price opening at 106-15 compared with Tuesday's close of 105-27 and touching a best level of 106-17 before finishing at 106-15.

In the currency pit sterling *showed an encouraging volume* of 758 lots traded.

### LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 91.36 | 91.35 | 91.27 | 91.21 |
| Sept | 91.24 | 91.24 | 91.19 | 91.12 |
| Dec | 90.87 | 90.97 | 90.84 | 90.86 |
| March | 90.74 | 90.80 | 90.70 | 90.64 |
| June | 90.47 | 90.47 | 90.45 | 90.42 |

Volume 1,937 (1,341)
Previous day's open int. 3,796 (3,547)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 90.37 | 90.38 | 90.31 | 90.32 |
| Sept | 90.61 | 90.61 | 90.58 | 90.54 |
| Dec | 90.59 | 90.59 | 90.57 | 90.52 |
| March | 90.36 | 90.36 | 90.36 | 90.32 |
| June | 90.13 | 90.13 | 90.13 | 90.14 |

Volume 456 (603)
Previous day's open int. 3,470 (3,415)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 106-15 | 106-17 | 106-04 | 105-27 |
| Sept | 106-02 | 106-04 | 105-23 | 105-14 |
| Dec | 108-02 | 108-02 | 107-24 | 107-15 |
| March | 107-24 | 107-24 | 107-24 | 107-05 |
| June | — | — | — | 106-18 |

Volume 1,611 (1,017)
Previous day's open int. 2,708 (2,895)
Basis quote (clean cash price of 15½% Treasury 1998 less equivalent price of near futures contract) 2 to 10 (32nds)

STERLING £25,000 $ per £

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 1.5812 | 1.5840 | 1.5800 | 1.5766 |
| Sept | 1.5772 | 1.5806 | 1.5765 | 1.5718 |
| Dec | 1.5774 | 1.5774 | 1.5774 | 1.5720 |

Volume 758 (309)
Previous day's open int. 1,605 (1,605)

DEUTSCHE MARKS DM 125,000 $ per DM

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 0.4109 | 0.4115 | 0.4104 | 0.4088 |
| Sept | 0.4150 | 0.4150 | 0.4150 | 0.4126 |
| Dec | — | — | — | — |

Volume 183 (184)
Previous day's open int. 385 (439)

SWISS FRANCS SwFr 125,000 $ per SwFr

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 0.4883 | 0.4885 | 0.4877 | 0.4865 |
| Sept | 0.4949 | 0.4949 | 0.4949 | 0.4931 |
| Dec | — | — | — | — |

Volume 133 (32)
Previous day's open int. 407 (388)

JAPANESE YEN Y12.5m $ per Y100

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 0.4247 | 0.4247 | 0.4233 | 0.4225 |
| Sept | 0.4277 | 0.4277 | 0.4265 | 0.4256 |
| Dec | — | — | — | — |

Volume 306 (515)
Previous day's open int. 422 (721)

### CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| June | 79-10 | 79-14 | 79-03 | 79-01 |
| Sept | 78-22 | 78-26 | 78-16 | 78-14 |
| Dec | 78-06 | 78-09 | 77-31 | 77-29 |
| March | 77-23 | 77-25 | 77-17 | 77-14 |
| June | 77-10 | 77-10 | 77-06 | 77-01 |
| Sept | 76-29 | 76-29 | 76-26 | 76-21 |
| Dec | 76-20 | 76-22 | 76-18 | 76-11 |
| March | 76-10 | 76-10 | 76-06 | 76-02 |
| June | — | — | — | — |
| Sept | — | — | — | — |
| Dec | — | — | — | — |

U.S. TREASURY BILLS (IMM) $1m points of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| June | 92.00 | 92.11 | 92.06 | 92.04 |
| Sept | 91.99 | 92.01 | 91.95 | 91.92 |
| Dec | 91.79 | 91.81 | 91.74 | 91.71 |
| March | 91.60 | 91.61 | 91.57 | 91.53 |
| June | 91.39 | 91.41 | 91.36 | 91.33 |
| Sept | 91.22 | 91.23 | 91.20 | 91.16 |
| Dec | 91.00 | 91.05 | 91.00 | 90.97 |
| March | — | 90.88 | — | 90.80 |

CERT. DEPOSIT (IMM) $1m points of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| June | 91.70 | 91.72 | 91.65 | 91.61 |
| Sept | 91.49 | 91.49 | 91.45 | 91.42 |
| Dec | 91.20 | 91.20 | 91.17 | 91.12 |

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| June | 91.10 | 91.12 | 91.07 | 91.02 |
| Sept | 90.96 | 90.97 | 90.94 | 90.88 |
| Dec | 90.70 | 90.70 | 90.67 | 90.64 |
| Feb | — | — | — | — |
| March | 90.49 | 90.49 | 90.48 | 90.43 |

STERLING (IMM) $ per £

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| June | 1.5770 | 1.5825 | 1.5780 | 1.5816 |
| Sept | 1.5730 | 1.5790 | 1.5730 | 1.5780 |
| Dec | 1.5750 | 1.5780 | 1.5705 | 1.5765 |
| March | 1.5725 | 1.5765 | 1.5680 | 1.5745 |
| June | — | — | — | — |
| Sept | — | — | — | — |

GNMA (CBT) 8% $100,000 32nds of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| June | 72-10 | 72-16 | 72-03 | 72-03 |
| Sept | 71-18 | 71-20 | 71-10 | 71-09 |
| Dec | 70-28 | 70-29 | 70-20 | 70-17 |
| March | 70-08 | 70-11 | 70-02 | 69-29 |
| June | 69-24 | 69-24 | 68-18 | 69-10 |
| Sept | 69-10 | 69-10 | 68-04 | 68-30 |
| Dec | 68-24 | 68-28 | 68-24 | 68-22 |
| March | — | — | — | — |
| June | — | — | — | — |
| Sept | — | — | — | — |
| Dec | — | — | — | — |

## FOREIGN EXCHANGES

# Renewed pressure on French franc

The dollar weakened against other major currencies on the foreign exchanges yesterday as hopes remained alive of a cut in the Federal Reserve discount rate ahead of the Williamsburg Summit. Good demand for the D-mark boosted EMS currencies against the dollar, but pressure increased on the French franc, leading to speculation that the currency may suffer another devaluation later this year. The Bank of France intervened to support the franc, while Euro-franc interest rates rose by about 1 to 1½ per cent. In March Euro-franc rates rose to excessive levels in an attempt to defend the franc ahead of the last EMS realignment.

Sterling remained underpinned by speculation about an early general election, but eased against Continental currencies on profit-taking after its recent strength.

DOLLAR — Trade-weighted index (Bank of England) 122.2 against 126.4 six months ago. The dollar has been firm during a period of extreme uncertainty about oil prices and upheaval within the EMS. U.S. interest rates have not fallen as once expected and although better money supply figures have led to renewed hopes, future trends remain obscure.

The dollar fell to DM 2.4455 from DM 2.4575 against the D-mark; to FFr 7.3875 from FFr 7.4050 against the French franc; to SwFr 2.0570 from SwFr 2.0675 in terms of the Swiss franc; and to Y236.25 from Y237.55 against the Japanese yen.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. April average 1.5421. Trade-weighted index 85.1 against 85.1 at noon, 85.2 at the opening, 85.0 at the previous close, and 92.3 six months ago. Sterling has benefited from hopes that oil prices will remain stable following the latest Opec settlement, the possibility of a Conservative win at an early general election, and an expected period of stability in domestic interest rates.

Sterling opened at $1.5845-1.5855, and traded within a narrow range of $1.5800-1.5870, before closing at $1.5800-1.5810, a rise of 20 points on the day. On the other hand the pound fell to DM 3.8675 from DM 3.88; to FFr 11.6775 from FFr 11.6875; to SwFr 3.2500 from SwFr 3.26375; and to Y373.50 from Y375.

D-MARK — Trading range against the dollar in 1983 is 2.4950 to 2.3320. April average 2.4413. Trade weighted index 130.1 against 126.1 six months ago. The D-mark has been weak against most of its EMS partners since the realignment of the system in late March, requiring frequent support to remain within agreed limits. Economic fundamentals remain in favour of the German currency however, but high real U.S. interest rates and stable oil prices have also pushed the dollar and sterling higher against the D-mark.

The dollar fell to DM 2.4448 from DM 2.4571 against the D-mark at yesterday's fixing in Frankfurt and sterling was also weaker at DM 3.8710 compared with DM 3.8810. Within the EMS the French franc fell to DM 33.06 per FFr 100 from DM 33.225 and the Belgian franc was lower at DM 5.0140 per BFr 100 from DM 5.0180.

BELGIAN FRANC — Trading range against the dollar in 1983 is 48.67 to 45.90. April average 48.61. Trade weighted index 94.2 against 94.2 six months ago. Emergency foreign exchange controls and heavy central bank support underlined the Belgian authorities' determination not to see the franc devalued. In this they succeeded with the EMS realignment including a franc revaluation.

The Belgian central bank sold the equivalent of BFr 9.8bn last week, using the funds to help repay recent borrowings which were needed when the Belgian franc was under pressure before the realignment. The authorities ability to do this has been helped by the franc's steadier performance within the EMS. At yesterday's fixing the dollar fell to BFr 48.76 from BFr 48.9850 and sterling was lower at BFr 77.1550 compared with BFr 78.3550. The D-mark was higher at BFr 19.9405 from BFr 19.9365 while the French franc slipped to BFr 6.5965 from BFr 6.6260.

### EMS EUROPEAN CURRENCY UNIT RATES

| | ECU central rates | Currency amounts against ECU May 4 | % change from central rate | % change adjusted for divergence | Divergence limit % |
|---|---|---|---|---|---|
| Belgian Franc ... | 44.3662 | 45.1423 | +1.75 | +0.47 | ±1.5430 |
| Danish Krone ... | 8.04412 | 8.06981 | +0.32 | −0.96 | ±1.6419 |
| German D-Mark | 2.21515 | 2.26325 | +2.17 | +0.89 | ±1.0567 |
| French Franc ... | 6.79271 | 6.84162 | +0.72 | −0.56 | ±1.4018 |
| Dutch Guilder ... | 2.49587 | 2.54436 | +1.94 | +0.66 | ±1.4941 |
| Irish Punt ... | 0.71705 | 0.716522 | −0.06 | −1.34 | ±1.6696 |
| Italian Lira ... | 1386.78 | 1350.68 | −2.60 | −2.80 | ±4.1463 |

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

### OTHER CURRENCIES

| May 4 | £ | $ | | £ Note Rates |
|---|---|---|---|---|
| Argentina Peso... | 118,552-118,752 | 75,000-75,050 | Austria... | 27.10-27.45 |
| Australia Dollar... | 1.8125-1.8145 | 1.1475-1.1485 | Belgium... | 77.60-78.05 |
| Brazil Cruzeiro... | 716.68-710.68 | 452.67-454.93 | Denmark... | 13.76-13.86 |
| Finland Markka... | 8.5490-8.0730 | 5.4160-5.4200 | France... | 11.65-11.75 |
| Greek Drachma... | 130.877-134.198 | 86.70-83.90 | Germany... | 3.86-3.89 |
| Hong Kong Dollar | 10.92½-10.94½ | 6.9060-6.9110 | Italy... | 2290-2316 |
| Iran Rial... | 134.10* | 85.10* | Japan... | 374-379 |
| Kuwait Dinar (KD) | 0.4600-0.4610 | 0.29115-0.29125 | Netherlands... | 4.33½-4.37½ |
| Luxembourg Fr. | 77.08-77.18 | 48.84-48.86 | Norway... | 11.18-11.88 |
| Malaysia Dollar... | 3.6450-3.6550 | 2.3050-2.3070 | Portugal... | 150-175 |
| New Zealand Dlr. | 2.3820-2.3870 | 1.5090-1.5110 | Spain... | 205½-301½ |
| Saudi Arab. Riyal | 5.4540-5.4640 | 3.4500-3.4510 | Sweden... | 11.79-11.90 |
| Singapore Dollar | 3.3125-3.3225 | 2.0950-2.0970 | Switzerland... | 3.24½-3.27½ |
| Sth. African Rand | 1.7130-1.7140 | 1.0840-1.0848 | United States... | 1.57½-1.59½ |
| U.A.E. Dirham... | 5.8060-5.8155 | 3.6720-3.6765 | Yugoslavia... | 122-142 |

* Selling rates.

### CURRENCY MOVEMENTS

| May 4 | Bank of England Index | Morgan Guaranty Change % |
|---|---|---|
| Sterling... | 85.1 | −36.1 |
| U.S. dollar... | 122.2 | +11.6 |
| Canadian dollar... | 91.2 | −17.0 |
| Austrian schilling | 121.0 | +30.4 |
| Belgian franc... | 94.2 | −1.7 |
| Danish kroner... | 85.8 | −10.5 |
| Deutsche mark... | 130.1 | +57.5 |
| Swiss franc... | 151.6 | +106.6 |
| Guilder... | 118.4 | +26.1 |
| French franc... | 70.0 | −36.7 |
| Lira... | 51.0 | −59.3 |
| Yen... | 146.7 | +40.1 |

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

### CURRENCY RATES

| May 4 | Bank rate % | Special Drawing Rights | European Currency Unit |
|---|---|---|---|
| Sterling... | — | 0.684905 | 0.584925 |
| U.S. $ | 8½ | 1.08427 | 0.926234 |
| Canadian $ | 0.37 | — | 1.16510 |
| Austria Sch | 3¾ | 18.6625 | 10.9405 |
| Belgian F | 9½ | 52.8690 | 45.1423 |
| Danish Kr | 7½ | 0.44941 | 8.06981 |
| D mark | 4 | 2.65082 | 2.26325 |
| Guilder | 5½ | 2.07957 | 2.54436 |
| French F | 9½ | 8.01492 | 6.84162 |
| Lira | 17 | 1581.14 | 1350.68 |
| Yen | 5½ | 256.647 | 219.101 |
| Norwgn Kr. | 9 | 7.69561 | 6.57394 |
| Spanish Pta | — | 148.138 | 126.524 |
| Swedish Kr | 8½ | 8.10058 | 6.22730 |
| Swiss Fr | 4 | 2.22861 | 1.90647 |
| Greek Dr'ch | 20½ | 90.9269 | 77.7017 |

* C$/SDR rate for May 3: 1.32698.

### THE POUND SPOT AND FORWARD

| May 4 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| U.S. | 1.5800-1.5870 | 1.5800-1.5810 | 0.20-0.15c pm | 1.33 | 0.47-0.42 pm | 1.13 |
| Canada | 1.9370-1.9435 | 1.9380-1.9390 | 0.20-0.10c pm | 0.93 | 0.43-0.33 pm | 0.78 |
| Nethlnd. | 4.33½-4.36½ | 4.34-4.35 | 2-1½c pm | 4.83 | 5¼-4¾ pm | 4.49 |
| Belgium | 77.00-77.25 | 77.08-77.18 | 5c pm-5 dis | — | par-10 dis | −0.26 |
| Denmark | 13.76¾-13.80½ | 13.76¾-13.77¾ | ⅛-1½ore dis | −0.82 | 4¼-5½ dis | −1.42 |
| Ireland | 1.2220-1.2250 | 1.2225-1.2235 | 0.61-0.64p dis | −5.64 | 1.40-1.60dis | −4.90 |
| W. Ger. | 3.86-3.88½ | 3.86¼-3.87¼ | 2½-1½pf pm | 6.82 | 5¼-4¾ pm | 6.17 |
| Portugal | 154-157 | 154¾-155¾ | 615-1890c dis | −96.81 | 1220-2815ds | −51.96 |
| Spain | 215.50-216.30 | 215.65-215.85 | 210-300c dis | −14.18 | 530-670dis | −11.12 |
| Italy | 2,305-2,311 | 2,306¼-2,307¼ | 9½-12½lire dis | −5.72 | 33-36 dis | −5.98 |
| Norway | 11.20-11.25 | 11.20¾-11.21¾ | 3½-4½ore dis | −3.88 | 10½-19½dis | −5.22 |
| France | 11.67-11.72 | 11.67¾-11.68¾ | 3½-4½c dis | −4.11 | 15-17 dis | −5.48 |
| Sweden | 11.81-11.85 | 11.81¾-11.82¾ | ¾-1½ore dis | −0.95 | 2-2½ dis | −0.80 |
| Japan | 372-377 | 373-374 | 1.40-1.20y pm | 4.16 | 3.50-3.30 pm | 3.64 |
| Austria | 27.15-27.30 | 27.18-27.23 | 13½-11½gro pm | 5.37 | 34¾-30¾ pm | 4.78 |
| Switz. | 3.24½-3.27½ | 3.24½-3.25½ | 1⅞-1½c pm | 6.00 | 4⅞-4⅜ pm | 5.69 |

Belgian rate is for convertible francs. Financial franc 77.55-77.65. Six-month forward dollar 0.75-0.70c pm. 12-month 1.12-0.97c pm.

### THE DOLLAR SPOT AND FORWARD

| May 4 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| UK† | 1.5800-1.5870 | 1.5800-1.5810 | 0.20-0.15c pm | 1.33 | 0.47-0.42 pm | 1.13 |
| Ireland† | 1.2915-1.2965 | 1.2930-1.2940 | 0.76-0.68c pm | 6.63 | 1.95-1.83 pm | 5.85 |
| Canada | 1.2240-1.2260 | 1.2255-1.2260 | 0.04-0.07c dis | −0.54 | 0.09-0.12dis | −0.34 |
| Nethlnd. | 2.7420-2.7505 | 2.7470-2.7490 | 0.85-0.75c pm | 3.49 | 2.37-2.27 pm | 3.38 |
| Belgium | 48.68-48.86 | 48.84-48.86 | 5½-7c dis | −1.54 | 16-19 dis | −1.44 |
| Denmark | 8.7000-8.7200 | 8.7025-8.7075 | 1-2ore dis | −2.07 | 4-5 dis | −2.07 |
| W. Ger. | 2.4390-2.4495 | 2.4450-2.4460 | 0.88-0.83p pm | 4.19 | 2.45-2.40 pm | 3.97 |
| Portugal | 97.00-99.25 | 97.90-98.90 | 400-1200c dis | −97.71 | 800-1800dis | −52.93 |
| Spain | 136.25-136.70 | 136.40-136.50 | 160-210c dis | −15.85 | 400-500dis | −13.21 |
| Italy | 1,457¾-1,459½ | 1,458½-1,459½ | 9½-10lire dis | −7.92 | 28½-30 dis | −8.02 |
| Norway | 7.0870-7.1080 | 7.0925-7.0975 | 2¾-3¼ore dis | −5.29 | 8¾-9¾ dis | −4.93 |
| France | 7.3790-7.4050 | 7.3850-7.3900 | 3.60-4.10c dis | −6.27 | 12-13 dis | −6.76 |
| Sweden | 7.4700-7.4850 | 7.4800-7.4850 | 1.10-1.60ore dis | −2.17 | 3.30-3.80dis | −1.90 |
| Japan | 235.85-236.80 | 236.20-236.30 | 0.57-0.52y pm | 2.77 | 1.62-1.54 pm | 2.67 |
| Austria | 17.19½-17.22 | 17.21-17.22 | 6.00-5.20gro pm | 3.90 | 17.25-14.75pm | 3.72 |
| Switz. | 2.0605-2.0610 | 2.0565-2.0575 | 0.80-0.76c pm | 4.52 | 2.36-2.31 pm | 4.54 |

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 48.05-49.15.

### EXCHANGE CROSS RATES

| May. 4 | Pound St'rling | U.S. Dollar | Deutschem'k | Japanese Yen | French Franc | Swiss Franc | Dutch Guild | Italian Lira | Canada Dollar | Belgian Fran |
|---|---|---|---|---|---|---|---|---|---|---|
| Pound Sterling | 1 | 1.581 | 3.868 | 373.6 | 11.678 | 3.250 | 4.345 | 2306. | 1.930 | 77.13 |
| U.S. Dollar | 0.633 | 1. | 2.447 | 236.3 | 7.388 | 2.056 | 2.749 | 1459. | 1.287 | 48.80 |
| Deutschmark | 0.259 | 0.409 | 1. | 96.57 | 3.019 | 0.840 | 1.126 | 596.6 | 0.501 | 19.94 |
| Japanese Yen 1,000 | 2.677 | 4.232 | 10.36 | 1000. | 31.27 | 8.701 | 11.65 | 6176. | 5.190 | 206.5 |
| French Franc 10 | 0.856 | 1.356 | 3.312 | 319.8 | 10. | 2.783 | 3.721 | 1975. | 1.660 | 66.05 |
| Swiss Franc | 0.308 | 0.486 | 1.190 | 114.0 | 3.593 | 1. | 1.337 | 709.6 | 0.596 | 23.73 |
| Dutch Guilder | 0.230 | 0.364 | 0.890 | 85.96 | 2.688 | 0.748 | 1. | 530.8 | 0.446 | 17.75 |
| Italian Lira 1,000 | 0.434 | 0.685 | 1.677 | 162.0 | 5.063 | 1.400 | 1.884 | 1000. | 0.841 | 33.44 |
| Canadian Dollar | 0.516 | 0.815 | 1.995 | 192.7 | 6.024 | 1.677 | 2.241 | 1190. | 1. | 39.79 |
| Belgian Franc 100 | 1.297 | 2.049 | 5.014 | 484.2 | 15.14 | 4.214 | 5.636 | 2990. | 2.513 | 100. |

## MONEY MARKETS

# Softer tone in London rates

UK clearing bank base lending rate 10 per cent (since April 15 and 18)

Interest rates showed a little change on the London interbank market yesterday, but had a slightly softer tone overall. The Bank of England forecast a money market shortage of £350m, but this was revised to £400m at noon, and to £450m in the afternoon. Total help provided by the authorities was £387m, all through outright purchases of bills mainly in bands 1 and 2, indicating the continued reluctance of the discount houses to part with longer dated paper on hopes that bank base rates will be reduced in the near future.

Bills maturing in official hands and a take-up of Friday's Treasury bill tender drained £216m from the market, while the unwinding of repurchase agreements absorbed another £329m. These were partly offset by Exchequer transactions adding £230m to liquidity.

Before lunch the Bank of England bought £329m bank bills, by way of £113m in band 1 (up to 14 days maturity) at 10⅛ per cent; £199m in band 2 (15-33 days) at 10 per cent; and *£17m in band 3 (34-63 days) at* 9¹⁵⁄₁₆ per cent.

In the afternoon the authorities purchased another £58m bills through buying £5m bank bills in band 1 at 10⅛ per cent; £19m bank bills in band 2 at 10 per cent; £12m local authority bills in band 3 at 9¹⁵⁄₁₆ per cent; £17m bank bills in band 3 at 9¹⁵⁄₁₆ per cent; and £5m bank bills in band 4 (64-84 days) at 9⅞ per cent.

In Brussels the Belgian National Bank cut its discount rate by ½ per cent to 9½ per cent from today, and the Lombard rate by a similar amount to 10½ per cent. The Belgian franc has been relatively firm on the foreign exchanges since the realignment of the EMS in March, and the move was also made because of abundant liquidity on the domestic money market. The cut was made despite an increase in the Dutch discount rate earlier this week.

In Frankfurt the Bundesbank said that it will not hold a press conference after today's council meeting. No change is expected in German credit policies after the rise in the Dutch discount rate.

### LONDON MONEY RATES

| May 4 1983 | Sterling Certificate of deposit | Interbank | Local Authority deposits | Local Auth. negotiable bonds | Finance House Deposits | Company Deposits | Discount Market Deposits | Treasury Bills ♦ | Eligible Bank Bills ♦ | Fine Trade Bills ♦ |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight... | — | 0-11 | 10¼-10⅜ | — | — | 10-10½ | 10-10¼ | — | — | — |
| 2 days notice | — | — | 10¼ | — | — | — | — | — | — | — |
| 7 days or ... | — | — | — | — | — | — | — | — | — | — |
| 7 days notice | — | 10¼-10⅛ | 10¼ | — | — | 10½ | 10-10⅛ | — | — | — |
| One month... | 10⅛-10¼ | 10¼-10⅜ | 10¼ | 10¾-10½ | 10⅜ | 10⅜ | 10 | 10⅛ | 10⅛ | 10⅝ |
| Two months ... | 10⅛-10⅛ | 10⅛-10⅛ | 10⅛ | 10¾-10⅜ | 10¼ | 10½ | 9⅞ | 9⅞ | 9⅞ | 10⅝ |
| Three months. | 10-9⅞ | 10⅛-10¼ | 10⅛ | 10⅝-10¼ | 10⅛ | 10⅛ | 9¾ | 9⅝-9¾ | 9¾ | 10⅜ |
| Six months... | 9⅞-9⅞ | 10-10⅛ | 10 | 9⅞-9½ | 10⅛ | — | — | — | 9¾ | 10⅛ |
| Nine months... | 9⅞-9⅞ | 10-10⅛ | 10 | 10⅜-10 | 10⅛ | — | — | — | — | — |
| One year... | 9⅞-9⅞ | 10-10⅛ | 10 | 10¼-10 | 10⅛ | — | — | — | — | — |
| Two years... | — | — | 10⅜ | — | — | — | — | — | — | — |

ECGD Rate Export Finance Scheme IV Average Rate for interest period April 6 to May 3 1983 (inclusive) 10.304 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10⅞ per cent; four years 11 per cent; five years 11¼ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four month bank bills 9⅞ per cent; four months trade bills 10⅝ per cent.

Approximate selling rate for one month Treasury bills 9²⁹⁄₃₂ per cent; two months 9²³⁄₃₂ per cent; and three months 9¹⁹⁄₃₂ per cent. Approximate selling rate for one month bank bills 10 per cent; two months 9²³⁄₃₂ per cent and three months 9²¹⁄₃₂ per cent; trade bills one month 10¹⁵⁄₃₂ per cent; two months 10⅜ per cent and three months 10¹¹⁄₃₂ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11 per cent from May 1 1983. London and Scottish Clearing Bank Rates for lending 10 per cent. London Deposit Rates for sums at seven days' notice 6½ per cent.

Treasury Bills: Average tender rates of discount 9.8765 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held one month 10½ per cent; one-three months 10¼ per cent; three-six months 10¼ per cent; six-12 months 10¼ per cent. Under £100,000 10 per cent from April 6. Deposits held under Series 3-5 10¼ per cent. The rates for all deposits withdrawn for cash 8 per cent.

## INTEREST RATES

### EURO-CURRENCY INTEREST RATES (Market closing rates)

| May 4 | Short term | 7 days notice | Month | Three Months | Six Months | One Year |
|---|---|---|---|---|---|---|
| Sterling... | 10¼-10½ | 10⅛-10⅛ | 10⅛-10⅛ | 10⅛-10⅛ | 10-10⅛ | 10-10⅛ |
| U.S. Dollar | 8⅝-8⅞ | 8⅝-8⅞ | 8⅝-8⅞ | 8⅞-8⅞ | 8⅞-9 | 9-9⅛ |
| Can. Dollar | 10-10½ | 8¼-9¾ | 9¼-9⅜ | 9⅜-9⅞ | 9⅛-9⅝ | 9¼-9½ |
| D. Guilder... | 4¾-5 | 4¾-5 | 5⅜-5½ | 5⅜-5⅝ | 5⅜-5⅝ | 5⅝-6 |
| S. Franc... | 4½-5 | 4-4½ | 4⅜-4½ | 4⅜-4½ | 4⅜-4⅝ | 4⅜-4⅝ |
| Deutschm'rk | 4⅜-4⅝ | 4⅜-4⅝ | 4⅝-4⅞ | 4⅝-5⅛ | 5⅛-5⅜ | 5⅜-5½ |
| French Franc | 18½-18 | 15-16½ | 14⅝-15½ | 16½-16 | 17½-18 | 18-18½ |
| Italian Lira | 14-15½ | 15⅜-17 | 16½-17⅜ | 16½-17⅛ | 17⅜-18 | 18⅛-19⅛ |
| Belg. Franc. Conv... | 9½-10 | 9¾-10¼ | 10-10½ | 10-10½ | 10-10½ | 10¼-10¾ |
| Fin... | 10½-10½ | 10⅛-10⅝ | 10-10¼ | 10-10¼ | 10-10¼ | 10-10¼ |
| Yen... | 6⅛-6⅜ | 6⅛-6⅜ | 6¼-6¼ | 6¼-6⅜ | 6⅛-6⅜ | [illegible] |
| D. Krone... | 9-9½ | 9¾-10¼ | 10½-11 | 11⅛-11⅝ | 11⅝-12⅛ | 11⅝-12⅛ |
| Asia $ (Sing.) | 8⅞-9 | 8⅞-8⅞ | 8⅞-8⅞ | 8⅞-8⅞ | 8⅞-9 | 9⅛-9⅛ |

### FT LONDON INTERBANK FIXING

(11.00 a.m. MAY 4)

| 3 month U.S. dollars | | 6 months U.S. dollars | |
|---|---|---|---|
| bid 8 13/16 | offer 8 15/16 | bid 8 7/8 | offer 9 |

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

### MONEY RATES

**NEW YORK**

| | |
|---|---|
| Prime rate | 10½ |
| Fed funds (lunch-time) | 8½-8⅝ |
| Treasury bills (13-week) | 8.90 |
| Treasury bills (26-week) | 7.97 |

**GERMANY**

| | |
|---|---|
| Lombard | 5.0 |
| Overnight rate | 5.05 |
| One month | 5.175 |
| Three months | 5.25 |
| Six months | 5.30 |

**FRANCE**

| | |
|---|---|
| Intervention rate | 12.5 |
| Overnight rate | 12.625 |
| One month | 12.6875 |
| Three months | 12.6875 |
| Six months | 12.8125 |

**JAPAN**

| | |
|---|---|
| Discount rate | 5.5 |
| Call (unconditional) | 6.34375 |
| Bill discount (3-month) | 6.65625 |

**SWITZERLAND**

| | |
|---|---|
| Discount rate | 4 |
| Overnight rate | 3½ |
| One month | 4⅞-4⅞ |
| Three months | 4⅞-4⅞ |

**NETHERLANDS**

| | |
|---|---|
| Discount rate | 4½ |
| Overnight rate | 4¾-5 |
| One month | 5½-5⅝ |
| Three months | 5⅜-5⅝ |
| Six months | 5⅜-5⅝ |

**$ CERTIFICATES OF DEPOSIT**

| | |
|---|---|
| One month | 8.50-8.60 |
| Three months | 8.50-8.60 |
| Six months | 8.50-8.60 |
| One year | 8.70-8.80 |

**LONG TERM EURO $**

| | |
|---|---|
| Two years | 10⅛-10⅜ |
| Three years | 10½-10⅝ |
| Four years | 10⅞-11 |
| Five years | 11-11¼ |

**SDR LINKED DEPOSITS**

| | |
|---|---|
| One month | 8⅛-8½ |
| Three months | 8⅛-8⅝ |
| Six months | 8⅜-8⅝ |
| One year | 8¾-9⅛ |

**ECU LINKED DEPOSITS**

| | |
|---|---|
| One month | 8½-8⅞ |
| Three months | 8¹⁵⁄₁₆-9⅛ |
| Six months | 9⅛-9⅜ |
| One year | 9⅝-10 |